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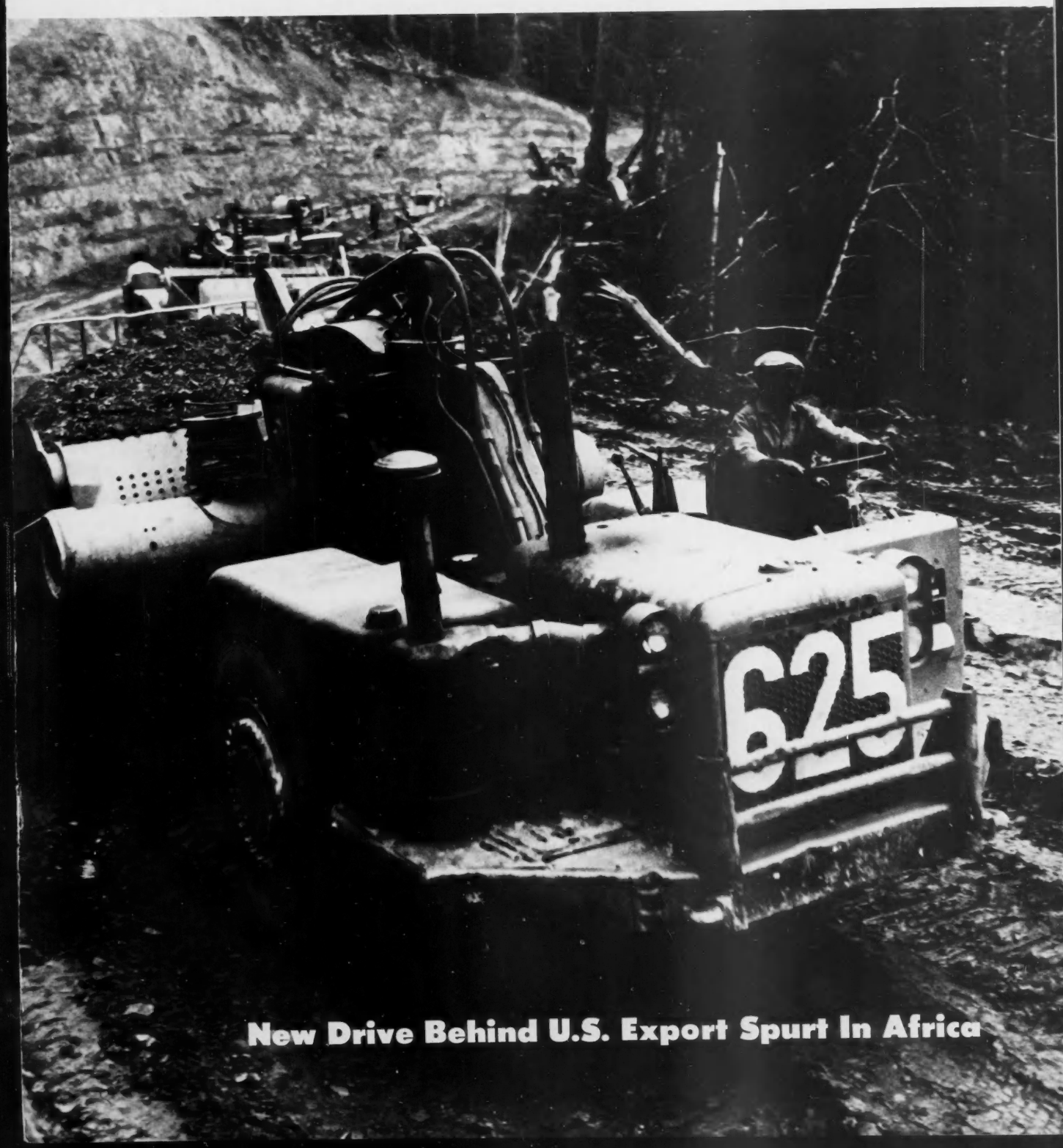
Commerce Today



New Drive Behind U.S. Export Spurt In Africa

What About Foreign Investments?

This column was written by Under Secretary of Commerce John K. Tabor.

Are foreign governments or individuals gaining undue influence over the U.S. economy through direct investment of their dollars here?

Do we have adequate safeguards to deal with any such threat?

Should our historic policy of welcoming foreign investment be changed?

These questions have been raised recently by investment in the U.S. of some of the sudden new surplus wealth acquired by the oil producing countries through the quadrupling of petroleum prices.

There is a growing concern over both the size and nature of these investments and much consideration is being given to what, if anything, should be done about them. The situation has prompted the recent introduction of several bills in Congress to impose controls, in addition to those already on the statute books, on all foreign investment in our country.

To put the matter into perspective, it should be noted that the amounts of petrodollars that find their way into direct U.S. investments—takeovers, if you like—are not large now and, by present estimates, are not likely to grow to any economically significant size. According to the Treasury, petrodollar investments in the U.S. last year amounted to: $6 billion in government securities (most welcome); $4 billion deposited in banks (also welcome), and about $1 billion for purchases of stocks and other assets.

While $1 billion invested in stocks and bonds is substantial, it would not seem to pose any immediate threat to an economy with gross private domestic investment of more than $200 billion a year, with corporate assets of some $2½ trillion, and with outstanding U.S. corporate securities valued at $1½ trillion.

It also should be remembered that we already have a substantial body of laws and administrative practices to guard against control of sensitive industries by foreign capital. Thus:

- Federal law restricts or precludes foreign ownership of enterprises engaged in coastal and inland shipping, domestic radio communications, domestic air transport, hydroelectric power generation, mining operations, and atomic energy.
- Some states restrict foreign ownership of land, banking and insurance activities.
- Information on the proportion of foreign ownership of regulated industries must be reported to the appropriate regulating agency.

We also must not overlook the benefits of foreign investment. In the early days of the Republic it financed the construction of our post roads, canals, railways and harbors. Today, it builds plants, pays wages and adds to our prosperity. The fact that capital from all over the world seeks out investments in the U.S. is clear proof that the hardheaded investors of the world are "betting" on the United States to succeed. Their bet on us gives them a vested interest in our success. We should be careful not to discourage new investments that could benefit our national economy.

If we can establish adequate consultation procedures with the major holders of substantial sums for investment, or other selective means, this route is preferable and will meet our needs. Otherwise, we must examine this problem further.

To sum up:

- The foreign direct investment problem is one that requires our careful, factual attention.
- In particular, we should seek to know the probable duration and likely magnitude of the build-up of petrodollars that will be available for foreign investment by the producers. Recent events are sharply reducing earlier estimates of the amounts of petrodollars free for foreign direct investment.
- We should certainly utilize fully the data-gathering sources already available to inform ourselves of foreign direct investments. This means more extensive extraction and better compilation and analysis of information from the various agencies in government which are authorized to and do collect this kind of data. The Administration is creating a new office to accomplish this.
- We should establish on a bilateral basis, through candid discussions with the major holders of petrodollars, informal arrangements for a review of major significant foreign direct investments.
- If they have the facts, the Congress and the public will be in a position to appraise policies concerning free movement of capital.
- Foreign investors, particularly the oil producers, should make clear to the citizens of our country the intentions and purposes in connection with any significant investments they intend to make, consistent with our law and policies.

These steps, I believe, will preserve the very best in our policy of the free flow of capital into investment opportunities in this country, while enabling us to meet promptly any serious problems that may arise.

John K. Tabor

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COVER: *This World Bank photo of U.S.-made heavy equipment at work on a road opening up Gabon's timber resources illustrates a point made by Commerce Department trade specialist Frank A. Ocwieja. American equipment is highly regarded for quality and dependability, Ocwieja noted, and if it is accompanied by full after-sales service—a Caterpillar strong point—it can win a major share of the Central African market.* *See Page 5.*

U.S. Attracts More Foreign Enterprises; Commerce To Gather Detailed Information

Economic Highlights is prepared by James L. Pate, Assistant Secretary of Commerce for Economic Affairs.

Renewed public interest in foreign direct investment in the United States has been generated as a result of a substantial increase in such investments over the past two years. These investments are quite small in relation to the U.S. economy, and there are no indications so far of massive flows of funds from the oil-producing countries. U.S. policies in regard to direct investment have been reviewed by both the Administration and Congress.

Although about two-thirds of foreign holdings were classified as portfolio investment at the end of 1973, most attention has focused on direct investment since the latter type by definition indicates control of an enterprise. Foreign direct investment in the United States increased slowly and unevenly over the past quarter-century. By 1970 direct investment totaled about $13.3 billion and it increased only about 7½ percent over the next two years. In the 1972-74 period, however, direct investment increased more than 40 percent.

The inflow of foreign funds for direct investment in 1974, including reinvested earnings, was about $2.8 billion, raising total foreign investment to at least $20.5 billion. This figure is tentative, however, because no firm statistics are available at present on re-investment of earnings in foreign-owned enterprises. By contrast, net foreign purchases of U.S. private securities amounted to only about $1.1 billion in 1974 after more than $4 billion of such purchases the preceding year.

The Commerce Department's Bureau of Economic Analysis announced on January 31 the launching of a comprehensive survey designed to collect detailed data on foreign direct investment in the U.S. for the first time in 15 years. The survey stems from the Foreign Investment Study Act of 1974 which was signed by President Ford on October 26, 1974. Responses to questionnaires mailed to 10,000 businesses will reveal total direct investment in the United States, the net increase during the year, the return on investment to foreigners, the distribution of foreign direct investment by foreigners, industries and by states, and many other aspects of multinational companies which affect the United States and the world economy. The Treasury Department is concurrently conducting a study of foreign portfolio investment.

The direct investment survey will enable the Department of Commerce to analyze the effects of existing laws, regulations and policy, and determine the effects of variations among accounting, financial and other business practices of American and foreign investors on such investment activity. The Department will also examine the adequacy of the information and recommend procedures for maintaining the necessary data on a current basis.

Even though both actual and contemplated investments in the United States by oil-producing countries have frequently made headlines, interest in investing in this country increased sharply some time before the rise in the price of oil resulted in large increases in the amount of foreign funds available for investment. Several developments have a strong bearing on the relative attractiveness of U.S. enterprises now and in the immediate future.

First, two devaluations and the subsequent floating of a number of major currencies corrected the substantial overvaluation of the dollar, and reduced the cost of investment in the United States in terms of the amount of foreign currency required for a given investment.

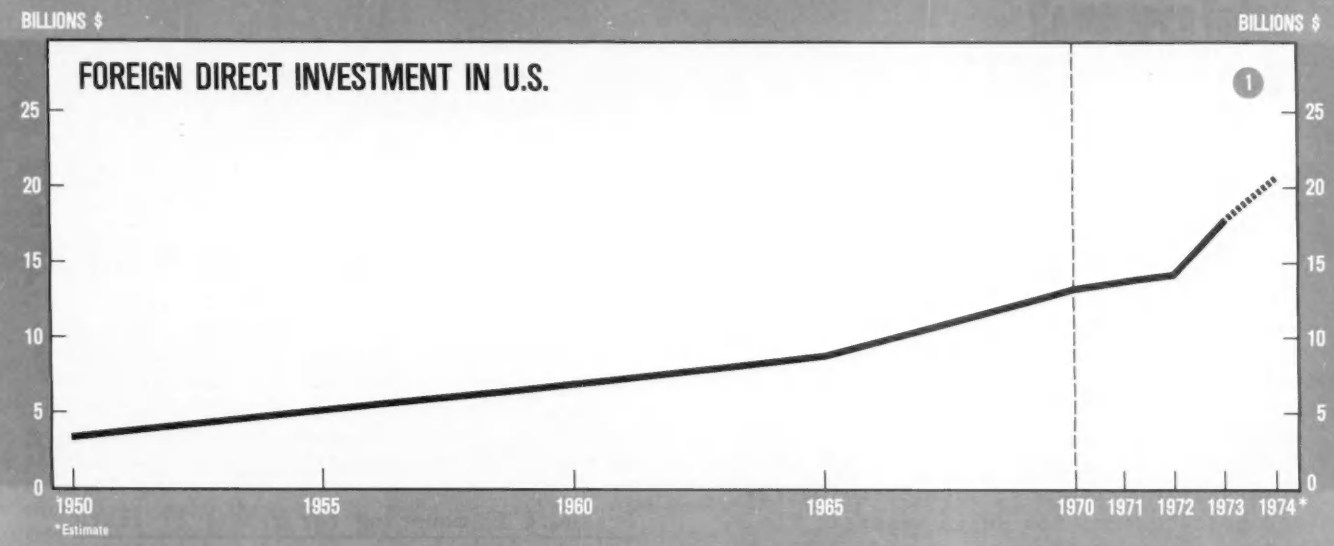
Second, the energy crisis and the subsequent four-fold increase in the price of petroleum may have caused many oil-importing nations to consider using their buildup of reserve currencies to pay for oil imports rather than investment. This impact may be offset, however, by the buildup of funds for investment in the oil-rich nations. Another aspect is the favorable position of the United States in energy resources relative to some countries, such as Japan, and businessmen in those countries may seek to locate facilities close to a more abundant energy supply.

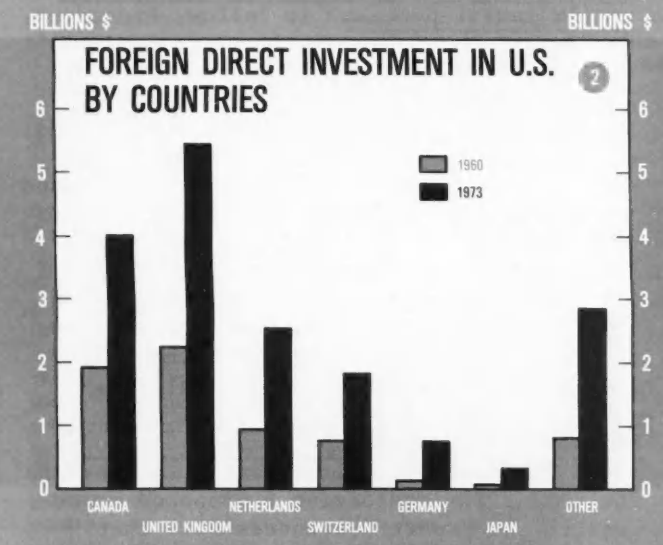
Third, raw material shortages abroad have caused some foreign firms to locate in the United States near secure supplies although direct investment for this reason has been quite small so far. Some foreign commitments involve long-term contracts for raw materials accompanied by investment of non-equity capital.

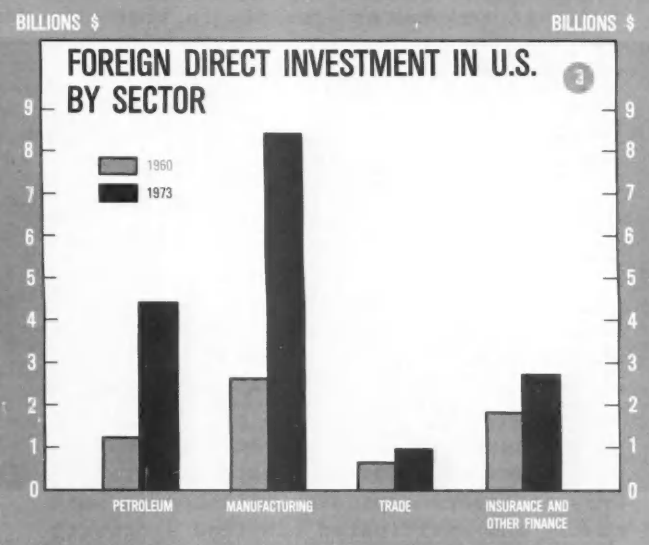
Fourth, future foreign investments will be affected by the new trade bill and the outcome of tariff negotiations.

Finally, foreign investment, particularly of the portfolio type, has been affected by the substantial decline in prices of U.S. equity issues. Even with recent increases, stock prices are substantially below the peak reached before the start of the current recession.

The United States, with its generally non-restrictive policies, large capital market, and diversified economy, has provided a natural outlet for foreign investors for decades. Among major sectors, manufacturing has led for many years in the amount of foreign holdings, although petroleum supplanted insurance and finance a few years ago as the second largest foreign investment sector. Investors from the United Kingdom and Canada are ranked first and second among foreign direct investors, as they have been for many years, although the Netherlands and







Switzerland have increased their participation rapidly over the past decade.

There are relatively minor exceptions to the general U.S. policy of admitting and treating foreign capital investments on a basis of equality with domestic capital. Aliens are restricted regarding ownership of enterprises that have national security significances, businesses engaged in exploitation of natural resources, or in which special fiduciary responsibilities are involved. Foreign ownership is limited in coastal or inland shipping, domestic radio communications, domestic air transport, hydroelectric power production, and production or use of atomic energy. Alien ownership of mineral rights also is restricted, and some states restrict foreign ownership of land for agricultural and mining uses.

The $17.7 billion in foreign direct investment in the United States at the end of 1973 compares with $107 billion in direct holdings abroad by U.S. corporations and individuals. Even the potential investment of tens of billions of dollars by oil-producing countries in the Mideast and elsewhere would be relatively small compared with (1) U.S. private liquid asset holdings of $1,070 billion, (2) total U.S. corporate assets of $2,500 billion, or (3) the market value of $1,500 billion of non-Treasury securities in this country.

Of the surplus funds accumulating in the Organization of Petroleum Exporting Countries (OPEC) in 1974, only an estimated 1.7 percent was used to purchase U.S. stocks and other assets, about 6.7 percent was put into U.S. bank deposits, and 10 percent was used to buy U.S. Government securities. About 35 percent was invested in the Eurocurrency area, another 12.5 percent went to U.K. deposits and Government securities and the remainder was lent to the International Monetary Fund, the World Bank, and developing countries.

The United States undoubtedly will continue to provide a major outlet for foreign investment. It would appear that this country is capable of absorbing much larger amounts in the future without any deleterious effects on the economy or capital markets.

Newsmemo

The plastics producers are making a stand against the environmentalist charge. A new study by the Midwest Research Institute concludes that, when the total environmental impact of various packaging materials is considered, plastic containers emerge with a better score than paper, glass, aluminum, steel, etc. The factors assessed were: raw materials, energy consumption, process water, industrial solid wastes, atmospheric emissions, waterborne wastes, and post-consumption solid wastes. The industry, which funded the study, will be using it to counter attempts to limit the use of plastics for packaging by environmental legislation.

The effect of inflation and environmental costs is dramatized in plans for a petrochemical plant expansion. Union Carbide's move to add 1.1 billion pounds of capacity to its ethylene production at Taft, La., is expected to cost $425 million, up from earlier estimates of $270 million. Construction costs for a billion-pound ethylene plant have been running at about $250 million in recent years. About three billion-pound ethylene plants per year are judged necessary to keep pace with normal petrochemical industry growth patterns. This necessary expansion will become more costly and anticipated ethylene shortages are likely to continue to 1980.

Broad industry trends that usually govern activity in the industrial heating field may not be dominant this year. Though plant and equipment expenditures currently would not justify optimism in industrial heating equipment sales, new orders are expected to remain at the high levels of 1974. Continued expansion and modernization of the foundry industry, and the high demand for U.S. industrial heating equipment in foreign markets, particularly in Eastern Europe, should combine to offset the expected falloff in purchases from the automotive, plumbing fixtures, appliance and other traditional industry buyers of industrial heating equipment.

A special bonus was earned recently by the employees of PPG Industries--recognition in the firm's annual report. A foldout cover records the names of 34,000 PPG workers on line after line over six pages. The Pittsburgh-based corporation explained that this was "one small way of stressing that without the people who work for us, we are little more than a very expensive array of factories, offices, machines and equipment. We wanted to put that fact on record."

Pressure is mounting for repeal of state fair trade laws that permit manufacturers to fix retail prices. It follows President Ford's announced support for Congressional action that would repeal the antitrust exemptions upon which the state laws are based. Such laws once applied in 45 states; currently only 13 have versions that bind all retailers, while 23 others have statutes that bind those dealers who sign agreements with manufacturers. It is estimated that fair-traded items amounted to 10 percent of all retail sales in 1959, and only 4 percent in 1974. Administration estimates are that repeal of the laws could bring annual consumer savings of $1.5 to $3 billion.

How to be both competitive and inflation-proof in international bidding. The British Parliament is considering a proposed amendment to the Export Guarantees Bill that would allow British firms to recover a portion of any cost rise over 10 percent incurred in major fixed price contracts that involve a manufacturing period of more than two years. The premium is expected to be one percent of contract value. British manufacturers say that without such aid they will be unable to get a reasonable share of export business in the Near East. Other countries, including France, have similar export incentive programs.

Construction industry troubles have brought together two disparate groups in a combined appeal for emergency action. The Building and Construction Trades Department of the AFL-CIO and the American Institute of Architects have issued a joint statement that outlines a seven-point program to stimulate construction at this time.

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March 31, 1975

Africans Welcome U.S. Sales Spurt, Offer Tips For Increased Exports

Many Central Africa businessmen now report that U.S. suppliers of capital equipment have started to make a serious effort to win major shares of their markets. They are pleased with the information and proposals they have received in a recent spurt of visits by Americans. They fear, however, that this activity will last only so long as the current economic slump in the industrialized nations persists and that they may be forgotten when business picks up again in the home markets.

But they hope otherwise, and even as they paint a dim picture of the past U.S. performance they offer several important suggestions on how the U.S. producers can improve prospects for increased export sales to Africa in the immediate future.

During the decade following World War II, U.S. capital equipment dominated the African market. Part of the reason was, no doubt, the fact that American industry emerged from the war stronger than ever while the natural foreign competitors had to rebuild virtually from scratch. Nevertheless, U.S. exporters had a significant headstart which has now disappeared.

Most observers say that American suppliers have tended to be blinded by the large U.S. domestic market. When they were the only source for certain kinds of products, as was the case following the war, they were not reluctant to ship to other countries. However, when faced with vigorous competition they were not willing to put the necessary effort into selling and servicing in small markets.

"U.S. companies think they know it all," said Leon Houdin, a Libreville importer. "They refuse to believe that African conditions sometimes require major modification in their equipment."

European and Japanese industry began offering active competition in the 1950s. In addition, the advent of independence for most African countries by the early 1960s led the European governments to entrench their natural commercial advantage from colonial times through restrictive trade agreements which favored European sources of supply. With a very few exceptions, U.S. manufacturers settled back and allowed the more export-oriented firms of Europe and Japan to recapture the African market.

Meanwhile, the developing economies of Africa had been growing and industrializing at a steady pace. With local government support, investment in the processing of their raw materials began moving upstream into these countries, increasing the market for capital equipment—a market which most U.S. suppliers had forfeited.

Recently, however, these African governments have become aware that their economies suffer from being restricted to protected sources of supply. Consequently they have been letting out large contracts for international tender, especially in connection with projects funded with multilateral loans. Even the French-speaking countries of Africa have been promoting the diversification of their sources of supply. The new Lome Convention, which removes the reverse preference requirement from association with the European Economic Community, is one more step that accelerates this trend.

U.S. suppliers have the advantage of being regarded in Africa as the producers of high-quality goods. What is needed is a continuing commitment to the African market. Jean Viard, a heavy equipment dealer in Abidjan, boasted of the engineering excellence of his American-made Fiat-Allis machinery. On the other hand, he complained of the weak sales support he has received from U.S. firms, and added, "We have been very pleased with the great improvement in marketing and servicing since Fiat took over Allis-Chalmers' international operations."

Because of their reputation for quality, American products could sell themselves in Africa were it not for the dismal record of American after-sales service. No matter how good a machine is, an African businessman cannot invest in it without assurance that operators and mechanics will be properly trained, modifications made when needed, replacement parts made available quickly, and the manufacturer remain interested in keeping that machine in running order.

The ability to make these assurances has made Caterpillar, for one, the standard for construction equipment in Africa. With its network of full-service dealerships throughout the continent and well-known capacity to deliver a spare part in eight days, time-conscious end-users, such as contractors and loggers, swear by Caterpillar. Other U.S. suppliers of capi-

An On-Scene Report

This article summarizes the results of more than 50 personal interviews in three French-speaking African nations — Ivory Coast, Gabon and Cameroon—by Frank A. Ocwieja, who is the Country Marketing Manager for Central Africa in Commerce's Office of International Marketing. Ocwieja discussed trading opportunities with industrialists, importers and government officials.

Each of these three countries is a signatory to the new Lome Convention, which is discussed in an article on pages 22-23.

The Commerce Department conducts a number of trade promotion events in Africa—announced periodically in this magazine, and through trade association publications and by direct mail to firms listed on the Department's American International Traders Register.

In addition, U.S. exporters can request World Traders Data Reports on enterprises in Africa that may buy or handle their products or services. They can also get an Agency/Distributor Survey to help them find the most appropriate representation for their products in any African market. For further details on doing business in Central Africa contact any Commerce Department District Office.

FAST SERVICE IN CAMEROON—*Caterpillar's representative in Cameroon gets crews out quickly to repair disabled equipment. Here, a broken winch was the problem. Caterpillar is among firms known in Africa for after-sales service and parts availability.*

tal goods are beginning to make their mark by adopting the same marketing approach.

In Ivory Coast, Hyster, an American manufacturer of materials handling equipment, has completed a three-year program in which it has helped its distributor finance the costs of promotion, training, building inventory, and servicing. M. Le Houelleur, the Hyster agent, said that as a result, "we have been able to raise our share of the lift truck market from 20 to 50 percent." Ferrex International, an export management company, undertook with its agents in several African countries a campaign to test its Mountain Logger equipment under actual operating conditions. The promotional value of this effort as well as equipment modifications made as a result of the tests has been credited by the dealers in Cameroon and Gabon for the successful entry of Mountain Logger into those markets.

Some techniques developed by European suppliers were pointed out as examples to be studied. Mercedes has taken undisputed leadership in West Africa in the field of heavy trucks. This is attributed in part to its procedure for handling breakdowns. Each equipment failure is attended to by a special visit from the regional marketing director. If three failures of the same type occur in a given market, a factory engineer is sent to study the problem and suggest modifications back in the production line. Mercedes' success apparently came from its decision that it is not just selling trucks, but reliable means of transport suited to the particular needs of a given industry.

It is important to recognize that the African market has peculiarities to which an exporter should adjust both his product and marketing approach. George Jacob, an Abidjan industrialist, pointed out that the thin coverage of Africa by most capital goods' suppliers makes it too costly and time-consuming for a local company to assemble the elements of an integrated plant expansion on its own. "If a U.S. firm wants to get a sizable contract here, it must line up a package deal including makers of all the equipment necessary to install a complete factory." This approach has been used with great success by three leading European manufacturers of woodworking machinery, Gillet of France, Hildebrand of Germany, and Danckeart of Belgium. Not being able to sell his particular piece of machinery on its merits alone, the agent for each of these firms acts as a project leader, incorporating complementary equipment from other suppliers not represented in Ivory Coast. Such an agent thereby creates a market for his principal's product while simplifying the purchasing decision and servicing arrangements for the end-user.

All of this might be putting the cart before the horse. No marketing effort will succeed without effective representation. Indeed, in one West African country the appointment of a capable agent has resulted in significant sales with shamefully little support from his U.S. supplier. On the other hand, without after-sales marketing support no agent will continue to find customers for even the highest quality product. Therefore, after a U.S. exporter commits himself to this kind of support, his most important decision will concern representation.

When the "population" for a manufacturer's machinery in a certain market reaches a threshold number, the establishment of a direct sales and service subsidiary is not only economical, but also necessary to support further sales expansion. Several U.S. firms have opened such operations and, fortunately, more are now in the position to consider it. Moreover, the governments of most African countries greatly encourage this method of representation.

But, for the firm that wants to begin to market in Africa, the first step is to establish the means to get product information into the market. Next to after-sales service, the major reason African businessmen give for not buying from the U.S. is the lack of up-to-date, authoritative information. Providing this kind of information requires effective representation for a product even before a market for it is confirmed. A capable and en-

REPRESENTING SOME WELL-KNOWN NAMES IN GABON—*Hatton & Cookson (in foreground) and S.E.A.G. are two of the large import houses operating in Libreville.*

thusiastic agent or distributor is a necessity not only for this purpose, but for the whole marketing effort.

Entering an African market can often be effectively supported by establishing a representation arrangement with one of the established importers in that country. The most obvious candidates are the large import houses which were founded during the colonial era. A typical firm may have branches in several countries and the home office in Europe exercises some control over their decisions on which products to handle. All carry numerous lines of equipment from several countries but some firms allow their branches to carry different assortments of brand names. They generally have adequate servicing and inventory capabilities, though marketing effectiveness varies from one branch to another.

Most of the import houses are associated with large industrial groups in Europe, such as Unilever or SCOA. This provides them with natural supply sources among the industrial companies in the group. It also makes association with one of them a possible base for licensing or joint venture manufacturing. On the other hand, it restricts somewhat their marketing flexibility and may confuse their loyalties. Nevertheless, the potential profitability of an agency agreement is their primary consideration and many U.S. firms have found them to be effective marketing partners.

An alternative to marketing through an established importer is to sell through an established exporter in the U.S. There are many Export Management Companies which specialize in certain kinds of goods and which have already established a wide system of distribution in Africa.

A third alternative exists which may be an important feature of the African market of the future. With varying degrees of support from their governments, local African entrepreneurs are entering both industry and international commerce. Perhaps the economic factor in shortest supply in Africa is entrepreneurial talent. It is therefore natural that those Africans with the ideas and drive to buck the odds and get started in any business are generally interested in diversifying into several lines of business. This reflection of the European model of the industrial group is also due to the limit imposed on the expansion of any business line by the small size of the national market.

The U.S. exporter should be aware that many African countries have adopted indigenization policies which seek to put the means of production into the hands of nationals. As this trend progresses, an increasing share of the market will be local African end-users. Moreover, a local African end-user may often turn out to be a good sales and service representative for the equipment he uses himself in his industrial activities.

ABIDJAN—*Ivory Coast is one of the countries visited by Frank A. Ocwieja. Most of the suggestions he offers in this article apply to doing business in all of developing Africa.*

Doing business with local African entrepreneurs, however, requires a broad concept of marketing. The most enthusiastic and promising one may have only a small turnover and credit base. The exporter should be ready to assist his local African client to develop his business not only by providing his equipment needs on reasonable terms, but also by supporting the customer's marketing effort. Ketoure Seiny, an official of the Ivorian Foreign Trade Center, said, "African entrepreneurs need financing; but more important, they need assured markets for their exports in order to be able to raise the capital necessary to purchase equipment." There is no better buyer than one who can afford to pay, and by helping to assure the profitability of his client, the exporter can create a new market and even a sales organization for his product.

Vast Coal Reserves Seen Present Answer To Nation's Energy Crisis

Warning that the U.S. will be unable to preclude imported oil within the next decade, a special panel of the Commerce Technical Advisory Board (CTAB) recommends in a new report that the nation look to its vast coal resources to solve the present energy quandary.

"Declining dependence on foreign energy sources will exist by 1985 only if a strong, coordinated, all-encompassing national energy supply and conservation program is implemented immediately," says the report.

The special panel was composed of 26 representatives of industry, transportation, utilities, universities, and labor. Commenting that the U.S. is more vulnerable to an oil embargo than it was in the fall of 1973, the panel points out:

"There is a danger of being lulled into a sense of complacency because the current economic recession has reduced energy demand. Such a reduction in energy demand is to be expected to accompany a slowdown in the economy.

"Decisions must be made today and actions taken now to ensure the nation's future economic growth with adequate supplies of domestic energy. To do otherwise invites disaster."

Chairman of the panel is Dr. Malcolm E. Pruitt, Vice President and Director, Research and Development, of the Dow Chemical Company. The Vice Chairman is Dr. William J. Pietenpol, private consultant and former Vice President of Bell and Howell Company. Dr. Betsy Ancker-Johnson, Assistant Secretary of Commerce for Science and Technology, to whom the panel's report was submitted, is Chairman of CTAB.

"This study," she comments, "doesn't build models or present alternatives. It doesn't suggest that the problems will go away or that there is any single easy solution. Instead, it presents a series of concrete do-able recommendations for immediate action."

Dr. Ancker-Johnson points out that the panel was commissioned to critique the Project Independence Report developed by the Federal Energy Administration (FEA) and to "provide practical experience and first-hand knowledge of energy production, its constraints, problems and possibilities."

"The panel provided data to FEA it would not otherwise have had," she adds. "The cooperation between the two groups was excellent."

In exceptionally hard-hitting recommendations, in which it expresses concern with certain aspects of the FEA Project Independence Report, the panel says:

"Not only must the nation increase the domestic supply of and reduce the demand for energy. But also it must transfer much of its future energy growth requirements from petroleum and natural gas to coal through direct burning, gasification and liquefaction, and to nuclear energy."

Urgent situation

To achieve these objectives, the group says it believes that:

—The main underlying principle is the maintenance of a strong competitive market. The competitive market needs time to absorb and adjust to the higher cost of energy. Due to the urgency of the situation, certain actions may be required in the short term to accelerate the supply and demand responses. But mandatory actions must be carefully screened for their effect on the economy.

—The role of the government is to act as a catalyst and provide the climate for the private sector to achieve its required goals. Such a climate involves a well-informed public, a clear definition of national energy policies, a commitment to these policies, a stable economy, and promotion of the ready flow of energy at stable prices in international commerce.

—Laws and regulations should reflect the need for efficient extraction, transportation, and utilization of energy. An increase in supply and reduction in demand of energy is deterred by many laws and regulations enacted at a time when energy supplies were readily available and inexpensive.

—The solution to the long-term energy supply and demand problem must come from technological developments. Research and development must also play a significant role in the near term, providing new techniques for more efficient extraction, transportation, and utilization of energy, and for alleviating the impact on the environment and public health.

—A system to identify supply and demand trends in their early stages is necessary to provide a basis for prompt and sound actions. Such a system would monitor the results of higher energy prices, conservation, and measures designed to stimulate domestic energy production, and provide cost-benefit studies of the economic and social effects of various alternative actions.

Based on these principles, the panel has put together what it describes as a "minimum program" to achieve the objectives which it regards as essential. It suggests that the Energy Resources Council should coordinate a governmental view of its report "to obtain immediate action in appropriate areas." The program includes the following comprehensive recommendations:

Coal: An economic, regulatory and environmental climate should be provided conducive to the rapid development of coal supply and utilization. Federal funds should be made available to mitigate social and environmental problems in regions affected by coal production and conversion to coal.

"A commitment to the production and consumption of coal," the panel says, "must be made to assure the nation's utilization of its most abundant energy resource. If this commitment is forthcoming in 1975, the panel believes that the coal industry could produce up to 1.4 billion tons annually by 1985. This expansion to more than twice the present production rate would result in the growth of coal's share of the domestic supply of energy from 20 to 28 percent."

The panel points out that under the most conservative reserve estimate, several hundred years' supply of coal remains at the present rate of consumption.

"Use of high-sulfur coal, which represents 35 percent of the available resource base," the group comments, "is now being restricted by environmental standards, and the bulk of this coal is located near the high demand centers east of the Mississippi.

"Not until improved clean fuel technology or improved air pollution control technology is developed will the maximum utilization of such coal be achieved within present or proposed environmental standards.

"Coal may be directly substituted for oil and natural gas in certain applications and it can be converted to synthetic liquids and gas. Since domestic reserves of coal are greater than oil and natural gas, it is necessary that substitution for these fuels be made at the greatest possible rate commensurate with economic, environmental and other considerations."

The group says that government policies should be providing a climate conducive to the rapid development of coal with respect to both supply and use; that tax incentives and disincentives should be provided to encourage utilities and industry to switch from oil and natural gas to coal; and that studies should be undertaken to determine the health effects of coal-related hazards on miners, industrial workers and the public.

The Federal Government must establish an aggressive coal leasing program, the panel contends. Pointing out that a moratorium on federal coal leasing has existed since 1971, the group calls for passage of a workable strip-mining law which recognizes the necessity of expanding coal production. It adds that the Federal Mineral Leasing Act should be amended to include provisions for leasing tracts of land containing at least 500 million tons of coal.

Emphasis on synthetics

Emphasis was placed by the panel on development of synthetic fuels from coal, including a program to build a synthetics industry, provision of a favorable financial climate for such an industry, and streamlining regulatory procedures to speed up building of synthetic and commercial gasification plants.

"Production of synthetic fuels from coal holds great promise," the panel says, "and the post-1985 time-frame will show an even greater demand for this use of coal. Abundant coal reserves provide a base for supplementing, with synthetics, diminishing natural gas and petroleum reserves."

Oil and Natural Gas: Measures should be initiated to increase oil and natural gas supplies. This should include the following:

Remove price controls and associated regulations from petroleum so as to attain competitive market prices as expeditiously as possible; deregulate the wellhead price of new natural gas; conduct large and frequent lease acreage sales in each of the prospective frontier Outer Continental Shelf areas and in the Gulf of Mexico at maximum rates that can be efficiently assimilated by the industry; develop a framework whereby the best talents and technology can be brought together to attain the nation's potential for secondary-tertiary recoveries of petroleum; open Naval Petroleum Reserve No. 4 to exploration and development on same basis as other federal lands, and an expeditious approval of transportation systems from new oil and gas areas particularly for Alaskan natural gas.

The panel asserts that without implementation of its recommendations present production levels of domestic oil and natural gas cannot be maintained.

"Even with such implementation," it adds, "it is likely that the increase in production will be small. Without it, the decrease in production probably will be substantial.

"The most immediate requirement is that the nation determine the extent to which it can rely on potential reserves in frontier areas for future energy supply."

Nuclear Energy: To stimulate nuclear development, the following actions should be taken:

Improve at once the economic viability of the nation's electric utilities; simplify the licensing process; shorten it and make it predictable, including Nuclear Regulatory Commission licensing, etc.; reduce uranium supply uncertainties; put uranium enrichment facilities into operation; pursue development of the Fast Breeder Reactor; facilitate efforts to increase construction manpower availability and productivity; address the public concern with the environmental effects and safety of nuclear power plants; and resolve the indemnity issue.

"Nuclear energy," the panel explains, "is the only non-fossil source of energy which can be utilized on a significant and increasing scale in the United States during the next 10 to 15 years. . . .

"Without nuclear power even larger amounts of coal will have to be mined, transported and burned, or oil will have to be diverted to power generation. Natural gas is unlikely to be available over the long term for electric power generation even if this were considered an acceptable use of the gas resources."

Shale Oil: It is imperative that at an early date the practical potential of this resource should be established. Toward this end, the following actions should be taken:

Construct and operate, through joint federal-industry cooperation, at least one commercial shale oil plant to establish costs, technology and problem areas inherent in the devolpment of a large industry; modify the acreage limitations of the Federal Mineral Leasing Act so that allowable individual holdings may be greatly increased.

Future Energy Sources: These sources include geothermal resources, the burning of municipal wastes, and solar energy applications. The following actions should be taken:

BACK TO COAL—*A coordinated national energy supply and conservation program emphasizing use of the nation's vast coal resources could make the U.S. less dependent on foreign energy sources by 1985, according to the recently-released panel report by the Commerce Technical Advisory Board. Funding is called for to mitigate environmental problems.*

Maintain through the Energy Research and Development Administration (ERDA) a strong solar energy research and development program; expand the program for applying solar technology for heating and cooling of buildings; provide incentives for use of solar heating and cooling in private homes and businesses; establish through the ERDA a program to develop energy storage systems; provide government incentives to encourage electric utilities and municipalities to develop further utilization of solid wastes as fuels; promote exploratory drilling and evaluation of identified geothermal source areas; and resolve institutional issues that may constrain the expanded development of future geothermal and associated energy resources.

Human Resources: In the next decade the nation will need 500,000 additional technically competent people to engineer, build and operate the facilities to supply the needs of the energy industry. The following actions should be taken:

Strengthen the skills data bank of the Department of Labor and encourage its coordination with the Energy Resources Council to track demand and supply or energy-related skills; coordinate through the Labor Department efforts of industry, labor and educational institutions to provide training programs; expand the support by federal and state governments for new technical and degree-level education programs for mining engineers, technicians, and skilled miners and all scientists and engineers; encourage improvement in science and mathematic education in primary and secondary schools; and establish a program of federal loans and grants to generate employment in labor-intensive energy enterprises, including railroads.

The panel supports voluntary conservation efforts by an informed public which would increase the rate of conservation without serious dislocations or inequities on any sector of the public. The following is recommended:

Develop and manufacture vehicles with substantially improved fuel economy through joint action by the Federal Government and auto manufacturers; continue the industry practice of providing consumers with information on the fuel economy of autos; rigidly enforce the 55 mile-per-hour speed limit; revise transportation regulations to promote the efficient use of energy; allocate a portion of the federal and state gasoline and diesel fuel tax to support capital construction and improvement of mass transit systems; adopt national building standards that achieve maximum heating, cooling and lighting energy conservation; modify federal loan regulations to support energy efficiency in housing; provide incentives and low-interest loans for retrofitting energy-conserving devices in existing buildings; encourage companies to participate in an energy conservation program; support the most efficient heat disposal methods consistent with environmental considerations; and encourage the utility indusry to provide steam to industry from central power stations.

To elicit the full support of the nation a comprehensive public information program should be initiated immediately. The program should provide a full appreciation and understanding of the energy problems facing the country and possible solutions.

Balancing needs

Protection of the environment is essential, yet it must be balanced with the other needs of the nation. The following actions should be taken:

Existing federal air pollution regulations should be modified to permit continued use of higher sulfur fuel as long as health standards are not exceeded; existing federal water quality standards should be modified to permit thermal discharge where environmental effects are acceptable; federal research and development and demonstration efforts should be accelerated for improving air pollution technology and control standards should be established based on human health impact; environmental impact evaluation and site certification procedures should be streamlined to greatly reduce the time span required for certification; careful assessment of water use should be performed to provide a basis for optimum allocation among agricultural, community and other requirements; mobile source emission standards should be modified consistent with current data on health needs and efficient energy use; and federal regulations should be established for environmental requirements related to strip mining.

Revise tax laws pertaining to dividends, capital gains, and capital losses to attract additional capital; increase investment tax credit and allowed tax depreciation to improve corporate cash flows; modify federal and state rules and regulations to reduce delays and increase return on equity; and strengthen the mechanisms by which bond and equity securities are marketed.

The government should assume primary responsibility for funding long-term programs with high risk but potentially high payout, including breeder reactors, solar energy and fusion.

There should be an increase in federal funding for research and development programs related to improved coal mining, coal conversion and utilization, advanced power generation methods, radioactive waste disposal, and energy-related public health effects.

Government assistance should be provided for construction and operation of at least two coal gasification plants and two coal liquefaction plants.

Further development of computerized energy information programs should be supported to assist in the evaluation of future energy policy issues.

The panel expresses the belief that its recommendations would have a significant import on domestic energy availability, and that the cost would be substantial. It says, however, that the cost of not embarking on a coordinated national energy program would be prohibitive.

"The cost of oil imports in 1985, at no change in present world prices," the group says, "may vary from zero to close to $52 billion a year, depending on how successful the U.S. is in increasing its domestic energy supplies and reducing its demand.

"Full economic recovery, combined with still declining domestic oil and gas production during the next few years will result in an increasing level of imports of oil over the next five years. Prompt initiation of the program to decrease demand and increase supply, if carried through successfully, should limit the import peak and initiate a downward trend by about 1980."

NEW COAL TRANSPORTER—*Launched at Sturgeon Bay, Wis., this $12 million self-unloader iron ore and coal carrier is to revitalize Great Lakes service this spring.*

Information Service Provides Assistance To Minority Businesses

MESBIC, BDO, BRC and CCAC. . . . they may sound like bureaucratic "alphabet soup" to you, but to thousands of minority entrepreneurs, they can spell the difference between failure and success.

About 17 percent of the total U.S. population is black, Spanish-speaking, American Indian or Asian-American, yet they presently own only about 4 percent of American business and account for less than one percent of U.S. gross business receipts.

Commerce's Office of Minority Business Enterprise, established in 1969, works not only to get minority citizens into business but to make sure those businesses are sound and profitable. OMBE serves as a catalyst, seeking to mobilize the resources of both government and private industry.

Those mysterious letters above stand for Minority Enterprise Small Business Investment Companies, Business Development Organization, Business Resource Center and Construction Contractor Assistance Center, and they are among programs that OMBE is eager to tell minority entrepreneurs about. To accomplish this OMBE has developed an extensive information service, consisting of directories, guidebooks, promotional brochures and other specialized material that it wants to put into the hands of a specialized group of people, which includes not just minority entrepreneurs but also purchasing officers and established businessmen and women who wish to help newcomers get started.

In addition to the many publications which OMBE makes available without charge to minority businesses, the agency maintains a reference room in its Washington, D.C., headquarters that contains many Commerce Department and Small Business Administration publications, business magazines, appropriate newspapers, books, newsletters, speeches, press releases and other material. The agency is updating an audio-visual library—training films have been obtained from industry and a new slide presentation is being prepared.

OMBE has also developed an exhibit explaining its programs that is displayed at appropriate conventions. Scheduled for 1975 is participation in conventions in eight cities, including the National Association of Black Manufacturers meeting in San Francisco, the League of United Latin American Citizens in Milwaukee, the American GI Forum in Cheyenne and the PUSH EXPO '75 in Chicago. A similar exhibit has been designed for the conference room at OMBE headquarters, to which hundreds of businessmen come in the course of a year to attend meetings.

OMBE's information activities are not confined to publications distribution alone. Telephone and written requests for information and materials are promptly answered, usually more than 300 daily.

Among the many books published and distributed by OMBE are:

- *Franchise Opportunities Handbook*, published in cooperation with Commerce's Domestic and International Business Administration.

This provides a listing of equal opportunity franchisors. It includes a brief summary of franchising terms, requirements and conditions; background information on franchising; the Code of Ethics of the International Franchise Assn.; a checklist for evaluating a franchise; and a bibliography.

Franchised businesses accounted for over $156 billion in annual sales in 1973, equal to 30 percent of retail sales. Franchises are seen as a good way for minorities to enter business because the franchisor provides business counseling, training, marketing advice and other assistance, and the main requirements of a franchisee are that he make a small investment and be willing to work hard. The wide experience and business knowledge otherwise required to go into business for oneself is often hard for minority men and women to obtain.

Commerce's DIBA has also published the results of a survey of franchisors that includes data compiled from 1973 to 1975.

- *National Directory of Minority Manufacturers.*

This directory was prepared to assist procurement personnel in both government and industry to identify viable minority manufacturing firms available for contracting purposes. Firms are listed by SIC number, then by state. They are

WHERE THE INFORMATION IS—*Commerce's Office of Minority Business Enterprise maintains a reference room as part of its information service to minority entrepreneurs.*

cross-referenced by firm name, by state and city, and by Federal Supply Classification Index number.

• *Directory of Minority Business Resources*, published in cooperation with the American Marketing Association.

This is a geographic (by state and sometimes by city) listing of volunteers willing to provide professional marketing assistance to minority businesses in the form of marketing and managerial consulting and training programs. (Reference copies only are available. Whether or not the publication is updated and reprinted will depend on the results of a use survey, now being evaluated.)

• *National Roster of Minority Professional Consulting Firms.*

More than 300 firms are listed by geographic location, areas of expertise, and alphabetically by name.

• *Minority Suppliers Guide* (for the Washington, D.C., area), published by the Metropolitan Washington Business Resources Center, an affiliate of the Metropolitan Washington Board of Trade and the D.C. Chamber of Commerce.

Minority suppliers in more than 100 fields, from accountants to wood products, are listed for the Washington, D.C., area. In addition to publishing the Guide, which was reprinted by OMBE, the Business Resource Center will handle telephone inquiries from purchasing agents and others who wish to locate minority suppliers.

Banking for beginners

Realizing that one of the barriers to establishing minority enterprises is lack of knowledge about financing, OMBE has undertaken to compile some information in this field.

OMBE has made available without charge copies of *Banking For the Non-Banker*, by Don H. Alexander (a bank vice president), a book about the relationship of the small businessman to banks. Terminology and definitions are covered, to make the prospective borrower conversant with banking language so that he or she will be able to negotiate effectively.

Another section focuses on the information a businessman must have when approaching a banker with a loan request, and how a typical loan officer may examine and analyze the request.

The final part shows how to prepare a loan proposal.

For minority individuals interested in starting a bank, OMBE makes available *Organizing a Bank* by Milton Puryear, published by The Institute for Financial Planning and Research. The book provides information needed for minority entrepreneurs to assess realistically their potential for success in banking.

One of OMBE's own publications, *Developing Marketing Plans as Part of the Loan Packaging Process*, was designed as a manual for all professionals assisting minority entrepreneurs. It shows in detail how to analyze markets: who the customers are, where they are and what their needs are.

OMBE's *Urban Business Profiles*, prepared in cooperation with Commerce's Economic Development Administration, cover 18 urban-oriented businesses that the prospective minority entrepreneur might want to establish, such as beauty shops, dress manufacturing or supermarkets. Details are provided on characteristics of the business, feasibility, venture capital needed, projections of attainable returns on investment, labor force requirements, a bibliography and a list of trade associations.

OMBE is also making available the Bank of America's *Small Business Reporter Series*. These include a number of titles on operating a business, such as advertising, exporting, financing, franchising and personnel, as well as individual brochures on more than 30 small businesses, such as auto parts and accessories, camera stores and laundries.

In addition to directories and how-to manuals, OMBE has prepared several handbooks to guide local government-funded organizations devoted to aiding minority entrepreneurs.

A *Business Development Organizations Handbook* tells how to set up and operate local BDOs, which are funded by OMBE. Each organization is staffed to provide professional help in starting a new business or strengthening an existing one. An area in which a BDO can be of particular help to a minority entrepreneur is in assisting him or her in preparing a loan application.

A *Business Resource Center Handbook* provides guidelines for mobilizing private sector volunteer support for minority businesses. BRCs serve as links between new minority enterprises and successful businessmen who may be able to provide helpful advice. Areas in which BRCs can help include providing management and technical assistance, expanding purchasing from minority firms, increasing local availability of investment capital, and developing and making available profitable business opportunities to minority entrepreneurs.

The Minority Business Opportunity Committee Handbook provides guidance in setting up Minority Business Opportunity Committees, which are affiliates of the Federal Executive Board in individual cities that inform minority businesses of federal procurement opportunities. In conjunction with this, OMBE has prepared work plan guidelines and data forms, to aid the Committees in furnishing the required information to the Federal Executive Board of the Office of Management and Budget.

To make it easier for advertisers to place their campaigns in minority media, OMBE has prepared a *Directory of Minority Media*, which lists newspapers, periodicals and radio and television stations. Also included are several pages of Bureau of Labor Statistics figures on family expenditures by race and profession and more recent Census Bureau statistics on income, occupation, place of residence and age of black and Spanish-speaking Americans.

OMBE Funded Organizations is a directory of all the business assistance organizations that have received contracts or grants from OMBE to provide management and technical assistance to existing and potential businesses owned or controlled by minorities.

Guide for auditors

To assure that government funds are properly used by every contractor and grantee, OMBE hires independent public accountants and auditors of public agencies to conduct periodic audits. OMBE has prepared an *Accounting System Survey and Audit Guide* to assist those conducting the audits.

Minority Business Enterprise—A Bibliography lists more than 1400 bibliographies, books, monographs, articles, reports, speeches, handbooks, directories and periodicals pertaining to minority business enterprise.

Publications of other agencies that OMBE makes available or provides information on include: a catalog of federal assistance programs for which minority entrepreneurs might qualify; Census Bureau publications on the social and economic status of the black population, black-owned businesses and other minority-owned businesses; reports of the President's Advisory Council on Minority Business Enterprise; guidelines for starting a small business from the American Institute of Certified Public Accountants; an instructional handbook and case studies on minority ownership of small businesses from the Department of Health, Education and Welfare; a national minority business directory published by the National Minority Business Campaign; and a report of the Task Force on Education and Training for Minority Business Enterprise.

To keep its regional and field offices informed of all new publications, both OMBE-produced and others, of interest to minority entrepreneurs, OMBE's information office issues an *available information sheet* approximately once a week, and keeps the reference racks at these offices filled. This office also handles the subscription service for *Access*, OMBE's bimonthly publication with a circulation of 15,000, and places information about its publications in media aimed at its target audiences.

Energy Management Digest

BETTER AND BETTER...Responses to a survey conducted by Commerce's Office of Energy Programs indicate that U.S. businessmen are doing better than was originally thought in cutting back their firms' energy usage. By March 18 a total of 304 companies had responded to the December questionnaire, reporting a median reduction of 8.6 percent in energy expended per unit of output during 1974. The 255 responses which also included data on 1973 indicated a median cutback of 6.3 percent for that year. Early returns based on 247 responses for 1974 and 200 for 1973, had indicated savings of only 7.6 percent and 4.8 percent, respectively.

COAL COMEBACK AIDED...To encourage increased use of coal, the Federal Energy Administration has proposed regulations allowing it to prohibit certain power plants and other large fuel users from burning natural gas or petroleum products as their primary fuels. The Energy Supply and Environmental Coordination Act of 1974 authorizes FEA to prohibit the burning of natural gas or oil as its primary energy source where the plant had the capability of burning coal as of June 22, 1974. Before issuing a prohibition order, FEA must establish that supplies of coal are available and can be transported to the plant; and that the burning of coal is practical and will not hinder service to customers. FEA must also seek public comment before issuing a prohibition order. The Act also allows FEA to require that a power plant in the "early planning process" be designed so that it can use coal as its primary energy source.

SOLAR PERFORMANCE CRITERIA...Performance criteria for solar heating and cooling systems, which will be used in a major Federal Government effort to prove the practicality of heating and cooling American homes with solar energy, are now available from the Government Printing Office. The criteria were developed under the direction of the Department of Housing and Urban Development (HUD), utilizing the services of Commerce's National Bureau of Standards. The "Interim Performance Criteria for Solar Heating and Combined Heating/Cooling Systems and Dwellings" will be used by HUD as a basis for selecting systems for residential dwellings in an open competition. Order from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 at $1.90 a copy. Stock No. 0324-01043.

SOLAR POND EXPERIMENT...Construction has begun in New Mexico on a joint government-industry shallow solar pond project designed to heat industrial processing water with the sun's rays. The water, normally heated by oil-fired boilers, will be used for processing uranium in a milling operation. The Sohio Petroleum Company of Cleveland, Ohio, is funding construction of the preliminary field experiment and if it is successful the company plans to build a six-acre "pond" system. It is expected to cost about one-third less than a fuel-heated water system.

IMPROVING POWER PLANT RELIABILITY...Improving the reliability of fossil-fired and nuclear power plants could significantly reduce factors that have been pushing up the cost of electricity, concludes an FEA study. It lists a number of actions that utilities can take to improve reliability, including the establishment of industry-wide goals for improvement. The study says that although some units are performing very well, the nation's nuclear and larger fossil-fired plants are forced out of service, on the average, more than 15 percent of the time; are unavailable for service more than 25 percent of the time; and operate at less than 60 percent of capacity. The report stresses that although it will take the combined efforts of industry and government to effect these improvements, it is up to industry to take the lead.

COAL PRODUCTS' MARKETS...The Energy Research and Development Administration has published a technical report which presents an analysis of potential regional markets for coal conversion products from the present to 1985. The study evaluates the prospective markets for synthetic crude oil, light and heavy fuel oil, low-Btu gas, high-Btu gas, and electricity derived from low-Btu gas. Copies may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at $8.10 per copy. Order GPO Catalog No. 163.10:102.

Manufacturing Capacity Use Takes Steepest Quarterly Dip Since Survey Began In 1968

U.S. manufacturers were using only 78 percent of their productive capacity during December a sharp 6 percent drop below the September rate. The decline is the largest since the quarterly survey began in 1968, and the degree of utilization equals the previous low of September 1970.

Commerce's Bureau of Economic Analysis reports that its survey found that the delcines were widespread. Motor vehicle producers, operating at 70 percent in December, reported the largest decline —down 22 percentage points from September. The depressed market for motor vehicles also affected rubber, down 9 points to 77 percent, and stone-clay-glass—which were also hurting from the construction slump—down 11 points to 70 percent.

Also reporting decreases were firms in textiles, 11 points; paper, 10 points; primary metals, 8 points (due largely to the coal strike); and chemicals and electrical machinery, 5 points.

However, several major industries, including food-beverage, aircraft, nonelectrical machinery, and petroleum, showed little change.

The utilization rate for large firms (assets of $100 million and over) declined 7 percentage points from September to December. Medium- and small-sized firms reported drops of 6 points and 5 points, respectively.

The drop in the utilization rate occurred about equally in the primary and advanced-processed goods industries. Primary-processed goods producers reported a 7 point decline, to 79 percent; this rate compares with the previous low of 80 percent in September of 1971 for these basic materials producers. Advanced-processed goods producers reported a 6 point drop to 77 percent.

Capacity utilization rates in the report have been adjusted for seasonal variation. The survey asks manufacturers for actual and preferred rates of capacity utilization for the last month of each quarter. It has been conducted annually since 1965 and quarterly since 1968.

The conceptual basis and methodology of the program to measure the utilization of manufacturing capacity was described in the July 1974 issue of the *Survey of Current Business*.

Additional discussion will appear in the March issue of the *Survey*, published monthly by the Bureau of Economic Analysis. The *Survey* is available from District Offices of the Department of Commerce, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Annual subscription: $48.30.

Industry-By-Industry

Industry and asset size	Seasonally-adjusted operating rates (percent) 1973 Mar.	June	Sept.	Dec.	1974 Mar.	June	Sept.	Dec.
All manufacturers	86	86	85	85	84	84	84	78
Asset size:								
$100 million and over	89	89	88	87	86	87	87	80
$10 to $99.9 million	83	83	83	82	83	83	81	75
Under $10 million	78	78	79	79	80	79	77	72
Durable goods [1]	86	86	85	84	83	84	84	76
Asset size:								
$100 million and over	89	89	88	86	85	85	87	79
$10 to 99.9 million	82	83	83	82	82	83	82	75
Under $10 million	79	79	78	78	78	77	76	68
Primary metals	87	89	89	89	89	90	90	82
Electrical machinery	85	82	82	80	84	85	83	78
Machinery, except elect.	88	86	87	86	89	88	89	87
Transport equipment [2]	89	91	86	82	77	80	83	71
Motor vehicles	104	107	99	91	83	87	92	70
Aircraft	68	70	69	70	71	69	71	72
Stone, clay, glass	81	83	83	83	84	81	81	70
Nondurable goods [3]	86	86	86	86	85	85	84	80
Asset size:								
$100 million and over	90	91	89	89	88	88	87	83
$10 to $99.9 million	84	83	82	83	83	82	80	76
Under $10 million	78	78	80	80	82	80	78	75
Food, incl. beverage	81	80	79	82	82	81	79	77
Textile	90	90	89	89	87	87	80	69
Paper	93	94	94	93	93	93	94	84
Chemical	86	88	88	88	85	86	86	81
Petroleum	97	97	97	95	86	92	89	90
Rubber	89	91	90	84	89	88	86	77
Primary-process goods [4]	88	89	89	89	87	87	86	79
Advance-process goods [5]	85	85	83	82	83	83	83	77

1. Also includes producers of lumber, furniture, fabricated metals, instruments, and miscellaneous manufacturers.
2. Also includes producers of other transportation equipment.
3. Also includes producers of tobacco, apparel, printing and publishing, and leather.
4. Includes producers of lumber; stone, clay, and glass; primary metals; fabricated metals; textiles; paper; chemicals (at half weight); petroleum; and rubber.
5. Includes producers of furniture, electrical machinery, machinery except electrical, motor vehicles, aircraft, other transportation equipment, instruments, ordnance and miscellaneous manufacturers, food (including beverage), tobacco, apparel, printing and publishing, chemicals (at half weight), and leather.

Source: Bureau of Economic Analysis.

BY WOMEN, FOR WOMEN—*A recent seminar in Philadelphia on Finances and Today's Woman drew nearly 400 participants (above left). Keynote speaker was Muriel F. Siebert (above), first and only woman on the N.Y. Stock Exchange. Below, seminars on investment and starting a business.*

Seminar On Finances For Women Draws Nearly 400 In Philadelphia

More than 380 women turned out for an all-day seminar program in Philadelphia recently and got some good advice on managing money. The seminars were billed as "by women and for women" and all panel participants were female. They included lawyers, professors, bank loan, investment and trust officers, real estate brokers, stock brokers, a psychologist, a social worker and insurance experts.

The sponsors—The Philadelphia National Bank, The YWCA of Philadelphia and the Wharton School of Business and Finance of the University of Pennsylvania—were overwhelmed by the response, and extended registration above the 300 ceiling they had originally planned.

Muriel F. Siebert, first and only female member of the New York Stock Exchange and the seminar's keynote speaker, passed along to the audience some suggestions for managing money astutely that she gives to her clients: when offered a stock option by an employer, don't have all one's money and job both dependent upon the same company; save some money for emergencies; don't move money from one account to another; and don't be afraid to admit a mistake in investment, and get out.

Siebert stressed a need for more practical financial information and advocated it being taught in both high school and colleges. She also emphasized her belief that everyone needs financial knowledge, regardless of income level. She deplored the all-too-frequent case of the widow who is handed a lump sum of money with no counseling as to the most suitable way to invest or spend it.

Six individual seminars were conducted in the morning and repeated in the afternoon, and participants could attend one in the morning and one in the afternoon. The seminar on investment and financial independence was the most popular, and many late registrants were turned away. The merits of various kinds of investment were discussed, including real estate (both rental property and vacant land), common stock, preferred stock, mutual funds, bonds, securities, government bonds and deferred giving.

Rivaling the investment seminar in popularity was the one on credit. Areas covered included consumer credit and the effects of the Truth in Lending Law; obtaining personal loans from banks; and obtaining mortgages for real estate purchase.

In the entrepreneurial seminar, women learned how to start a business: where to obtain financing, what sort of government assistance is available, and forms of organization—proprietorship, partnership or incorporation.

The retirement planning panelists discussed social security, pension plans, private pension plans like the Keogh plan and the Independent Retirement Account, retirement income from such sources as life insurance, annuities, investments and real estate, and many other topics.

Other seminars covered estate planning and how to cope successfully with a changed marital or employment status.

Industry Highlights

No Early Return To Ferrous Scrap Export Controls Seen

(Industry Highlights is prepared by the Office of Business Research and Analysis, Bureau of Domestic Commerce.)

Experience since the removal of ferrous scrap export controls at the end of 1974 indicates no need to reimpose such controls in the foreseeable future, according to James M. Owens of Commerce's Office of Business Research and Analysis.

The year-and-a-half of controls was the first instance in which virtually full scale quantitative export limitations were imposed on ferrous scrap during peacetime. There had in the past been periods of licensing without quantitative controls or quantitative controls on a very limited scale, as in the case of nickel-bearing stainless steel scrap following the 1969 nickel strike in Canada. But the 1973-74 controls were the first extended limitations during a peacetime situation.

The high levels of demand which had become apparent in both domestic and foreign markets gave great cause for concern around the middle of 1973. Even though prices had not risen dramatically, there was every reason to believe that they would after the expiration of the price controls which existed at that time. The inflationary threat was therefore present. It was the considered judgment of Commerce Secretary Frederick Dent, as well as of officials in other government agencies concerned with the economy, that the criteria of the Export Administration Act had been met and that quantitative export controls on ferrous scrap were called for.

Prevented big jump

The method by which these quantitative controls were imposed in the last half of 1973—that is, through honoring all export orders accepted by July 1—did not reduce the level of 1973 exports, which reached an all-time high in that year. Nevertheless, it was apparent that if controls had not been imposed exports would have been considerably higher, perhaps by as much as 50 percent. Japan's voluntary cutback and the 1974 decision to set quota limitations quarter by quarter at levels closely paralleling those in a recent three-year base period kept last year's exports 23 percent below 1973, even after allowing for a fairly substantial carry-over of licenses into the early months of 1974.

A measure of the extent to which export controls influenced the price of ferrous scrap is much harder to come by. At approximately the mid-point of controls, in the early months of 1974, prices were at or near their all-time high. It was not until the end of October that a steady decline began to set in, leading in part to the removal of controls at the end of last year. That decline in price was probably as much due to a general drop in demand as it was to the existence of export controls. Even though, with the large carry-over of 1973 licenses, U.S. experts had been expecting exports in 1974 to total as much as nine million tons, they fell short of that figure by 300,000 tons.

The changes which were taking place in the last quarter of 1974—in supply, demand, and prices—and the prospects for the near future led Secretary Dent to remove all export controls on ferrous scrap at the end of the year. In the light of developments in the market place, he did not see the necessity of retaining even a licensing procedure. At his request he has been kept informed of price changes and of actual exports as the numbers become available from month to month.

Is it enough?

The question remaining, of course, is whether this informal watch is sufficient or whether formal monitoring procedures under the Export Administration Act should be established.

The formal monitoring procedures would, at a minimum, require a mandatory weekly report by exporters of ferrous scrap on exports and export contracts. Further, in order to enable the Commerce Department to make a regular weekly or monthly report on domestic supply, demand and price, additional information would have to be obtained periodically not only from the scrap industry but also from steel mills and foundries.

Also, similar information would be needed on foreign supply, demand, and price, which would require reports from this country's Foreign Service posts.

The immediate and short-term prospective ferrous scrap situation does not seem to justify the initiation at this time of a monitoring and reporting system of the scope outlined by the Export Administration Act, in Owens' view.

He refers to what is happening to the price of scrap. The closely-watched three-city price of No. 1 heavy melting steel scrap, covering Pittsburgh, Chicago, and Philadelphia, stood at $82.83 per gross ton on February 14. This is 8.1 percent above the price on December 31, when export controls were removed. Prices of this same premium grade of scrap did not, however, rise in every city where it is traded. Of the 13 other U.S. cities for which the *American Metal Market* reports scrap prices daily, six showed decreases of from 1.8 to 12.3 percent, and six showed increases of from 7.7 to 16.4 percent (one remained unchanged).

Recent prices of other grades of ferrous scrap that are used by the foundry industry such as number 1 and 2 bundles, cut plates and structurals, low phosphorus, turnings and borings, cast scrap, and shredded have also shown mixed trends since controls were eliminated at the end of last year. Some grades in some markets have recorded published price increases of 10-15 percent since the removal of controls, but many others have remained roughly the same and a few have declined.

Reduced impact

As measured by the Department of Labor's Wholesale Price Index, ferrous scrap prices as of December were 63 percent higher than in June 1973, the last month prior to the initiation of controls. By contrast, the WPI for foundry products rose 39 percent during the same period, and the prices for all commodities were up 25 percent. While ferrous scrap prices have shown a sharper price increase than other commodities their inflationary effect on the economy has been greatly reduced since last July when they were up 124 percent over the June 1973 price.

Although export figures for January are not yet available, Owens does not expect them to reveal any appreciable surge as a result of the export control removal. Scrap exports in the final quarter of 1974 totaled only 1,851,000 tons, well below the 2.1 million ton quota allowed.

The demand abroad for U.S. scrap has lessened considerably in recent months because of the recession that has hit the economies of most major steel producing countries. With domestic demand for steel down in most of these countries, they are increasingly looking at export markets for their excess production, as witnessed by the record 5.9 million tons of foreign steel that entered the United States in the fourth quarter of 1974.

However, along with the slackening world demand for steel there has also developed a weakening in world steel prices. As a result, overseas steel producers, the major importers of U.S. scrap, are hesitant to pay the relatively high price for U.S. scrap only to transport it to their mills for processing and then be forced to cut prices to sell steel in world steel markets.

U.S. steel demand in 1975 is also

expected to be down from the all-out levels of 1973-74. Steel shipments are expected to decline 10-15 million tons from the 109.5 million shipped during 1974. Although steel production is not expected to drop nearly as dramatically as shipments, because of the need for mills to replenish their depleted inventories, the softness in the steel market should help avoid a sharp jump in scrap prices.
monitoring could increase the volatility

The settlement of the coal industry labor negotiations should also tend to moderate any upsurge in scrap demand. As adequate coal supplies become available, both in the United States and abroad, the need for steelmakers to substitute scrap for pig iron will be lessened.

Initiating a formal monitoring system at this time could actually contribute to the very upward resurgence of ferrous scrap prices this nation is trying to avoid. Speculators might misinterpret a monitoring system as a "leading indicator" of more stringent controls further down the road. Overseas scrap consumers could be encouraged to purchase and stockpile scrap now as a hedge against possible future controls. Thus, any move toward monitoring could increase the volatility of the market when it is at its most stable point in the past year-and-a-half.

Fully-Staffed Offices To Boost Minority Firms

New efforts to encourage minority business growth are being instituted in ten cities by Commerce's Office of Minority Business Enterprise.

OMBE Director Alex Armendaris announced that funds are being made available for full-time professional staffing of Minority Business Opportunity Committees to assist minority businessmen receive a fair share of Federal purchasing and other business opportunities in the designated cities.

The MBOCs are working committees of Federal Executive Boards which have responsibility for coordinating and developing Federal programs at the local or regional level.

Full-time staffs will be placed in Newark, Philadelphia, Pittsburgh, Atlanta, Detroit, Chicago, Dallas, Los Angeles, San Francisco, and Seattle/Portland.

Armendaris said the funds will provide for a full-time professional MBOC executive director and clerical support to assist the committees in developing procurement, bank deposits, and training for minority-owned firms.

MBOCs in 25 other cities will continue to operate with the support of OMBE regional office staffs.

Are Computer Contents Subject To Copyright? Study Seeks Answer

Problem: You have written and copyrighted a book. A major library enters the text of your book on its computerized information retrieval system. They do not pay you a royalty. Can you sue them under the copyright law?

The answer is yes, no and maybe, depending on the court's interpretation of the 66-year-old copyright law—a piece of legislation that was not designed for today's information technology and tomorrow's information explosion.

The computer-copyright controversy will be the subject of an 18-month study by Commerce's National Bureau of Standards. The NBS Institute for Computer Sciences and Technology has received $150,000 from the National Science Foundation to study the impact of computer law and economics on information technology.

The study will investigate the impact of copyright law on user needs and access to computerized scientific and technical information. Its aim will be to identify and recommend legally, economically and technically sound alternatives which are beneficial to the public, the information industry and copyright owners.

The study will also point out policy issues which are crucial to the continued availability of scientific and technical information. For instance, many people have suggested establishing a central copyright clearinghouse for procurement of licenses and payment of royalties.

However, no previous studies have examined the technological and economic feasibility of such a clearinghouse. Problems involved with the vast amounts of information and transactions, the high accounting costs, and the methods of royalty payment could affect its feasibility.

Legal and policy problems will also be taken up by the NBS study. The central legal question, which remains unresolved, is whether or not magnetic tape used to store words in data banks constitutes a "copy" under the law.

Until recently, courts usually upheld the precedent of a turn-of-the-century case involving player-piano music rolls. In this case, the court ruled that since the piano rolls were unintelligble to a human—that is, they could not be read or understood—copyright could not be upheld.

However, in a more recent case involving cable television, the court ruled that videotapes of television programs constituted copies under the law. This case of videotaped copy approaches the problem of magnetic tape in data banks.

During the NBS study, attention will be increasingly focused on the computer-copyright controversy. Title II of the proposed copyright revision bill, passed by the 93rd Congress as part of a related copyright bill and signed into law by President Ford, establishes a commission that will examine technological problems related to copyrighted works, such as photocopying. The NBS study will have implications for the work of that commission, as well as for people in government, industry, publishing, and law.

Grant Spurs Search For Useful Chemicals From Ocean Organisms

The University of Washington, continuing its investigations to develop practical applications for chemicals extracted from maritime organisms, has received a $900,000 Sea Grant from Commerce's National Oceanic and Atmospheric Administration.

Since 1968, the University of Washington has been conducting studies to develop uses for marine extracts in the manufacture of textiles, plastics, food, paper, and pharmaceuticals. This year, Aequorin, a jellyfish derivative, will be tested commercially as a calcium detector in blood serum. Other product research includes the total utilization of fish catches and the profitable use of chitin, an extract from the shells of crab and shrimp.

Washington's education program will be expanded with the addition of an interdisciplinary Institute of Marine Studies. Courses include ocean law, marine technology, ocean engineering, and resource economics.

The University's technician training project will extend its program to five junior colleges which will participate in such courses as pre-professional training in commercial fisheries, oceanographic technology, marine mechanics, and commercial diving. Research into fisheries management will stress approaches that consider the total system of the North Pacific coastal resources.

The National Sea Grant Program is designed to enhance the development of the Nation's marine resources in the ocean, the Gulf of Mexico, and the Great Lakes. To accomplish this, NOAA awards grants for marine-related programs to universities, laboratories, and others. At least one-third of the funds for each Sea Grant Program must come from non-Federal sources.

Recent Technical Publications

These recent reports of government-conducted or government-sponsored research of possible interest to U.S. businessmen are available from the National Technical Information Service. Prices listed are for paper copies; second prices, where listed, are for microfiche. All others are available in microfiche for $2.25. Order from NTIS, Springfield, Va. 22161 (703-321-8543).

Escape potentials from apartments protected by fire detectors in highrise buildings. (PB-234 014/CZ). Factory Mutual Research Corp., Norwood, Mass. June 1974. 206pp. $7.25.

Forecasting the impact of technological change on manpower utilization and displacement: an analytic summary. (PB-234 628/CZ). Urban Inst., Washington, D.C. March 1974. 47pp. $3.75.

A multi-disciplinary analysis of the various proposals presented for the 1974 Law of the Sea Conference on exclusive fisheries zones. (COM-74 11340/CZ). Miami Univ., Coral Gables. May 1974. 88 pp. $4.75.

Design and analysis of an expectancy theory model for predicting early retirement (AD-782 563/CZ). Cornell Univ., Ithaca, N.Y. August 1974. 222pp. $7.25.

Computer aided instruction: A biblioggraphy with abstracts. (COM-74 11376/CZ). NTIS. 268pp. $20 (microfiche $20).

Psychometric theory in industrial and organizational psychology (AD-783 090). U. of Minnesota, Jan. 1974. 89pp. $4.75.

Materials-process-product model. A feasibility demonstration based on the bottle manufacturing industry (PB-234 237/CZ). IR and T, Arlington, Va. July 1974. 395pp. $10.95.

Standard transportation commodity description and code system. Phase IV Report (PB-233 985/CZ). Transportation Data Coordinating Committee, Washington, D.C. May 1974. 554pp. $13.

The high cost of education in cities: an analysis of the purchasing power of the educational dollar (PB-234 375/CZ). Urban Inst., Washington, D.C. 1973. 107pp. $5.50 (microfiche $5.50).

Disposal and uses of oil shale ash (PB-234 208/CZ). Denver Research Inst. 1970. 111pp. $5.25.

An investigation: U.S. import dependence on mineral resources, 'super' bulk carriers, and deepwater port development (AD-781 860/CZ). Naval Postgraduate School, Monterey, Cal. June 1974. 111pp. $5.25.

Evaluating the hazards of bulk water transportation of industrial chemicals (AD-782 476/CZ). National Academy of Sciences, Washington, D.C. Feb. 1974. 51pp. $4.25.

San Francisco vessel traffic system test of the automatic detection and tracking subsystems (AD-782 776/CZ). Johns Hopkins Applied Physics Lab, Silver Spring, Md. May 1974. 231pp. $7.50.

Review of factors influencing railroad electrification (PB-232 995/CZ). Federal Railroad Admin., Washington, D.C. Feb. 1974. 45pp. $3.75.

Reducing the need for travel (PB-234 665/CZ). Interplan Corp., Santa Barbara, Cal. March 1974. 165pp. $6.25.

Parking taxes for congestion relief: a survey of related experience (PB-234 665/CZ) and **Parking taxes as roadway taxes: a case study of San Francisco** (PB-234 361/CZ). Urban Inst., Washington, D.C. 1974. 56pp. and 51pp. $5.50 each. (microfiche $5.50).

Cost-benefit and other economic analyses of transportation (PB-234 403/CZ). Transportation Research Board, Washington, D.C. 1975. 75 pp. $4.25.

Year-round daylight saving time study—Vol. I: Interim report on its operation and effects (PB-234 592/CZ). Transportation Systems Center, Cambridge, Mass. June 1974. 157pp. $6.25.

EPA reports bibliography: a listing of reports entered into the NTIS between Apr. 1 and Dec. 31, 1973 (PB-234, 215/CZ). Environmental Protection Agency, Washington, D.C. Aug. 1974. 579pp. $10. (microfiche $6).

Application of fluidic concepts to hydraulic control systems (AD-782 508/CZ). Navy Civil Engineering Lab, Port Hueneme, Cal. July 1974. 21pp. $3.25.

Elastomers for service with engine lubricants and hydraulic fluids (AD-781 715/CZ). Horizons Inc., Cleveland. Mar. 1974. 46pp. $3.75.

Properties of textured titanium allows (AD-781 884/CZ). Battelle Metals and Ceramics Lab, Columbus, O. June 1974. 83pp. $12.75 (microfiche $12.75).

Toxicology of plastic devices having contact with blood (PB-233 701). Salt Lake City Coll. of Pharmacy. May 1974. 206 pp. $7.25.

Effect of low levels of carbon monoxide upon humans performing driving tasks (PB-233 894/CZ). Harvard School of Public Health. May 1973. 100pp. $4.75.

Detection of human intruders by low frequency sonic interferometric techniques (COM-74 11208/CZ). National Bureau of Standards, Boulder, Colo. May 1974. 99pp. $4.

Water law in relation to environmental quality (PB-234 144/CZ). Colorado State U. Environmental Resources Center, Ft. Collins. Mar. 1974. 596pp. $13.25.

Surface mining, land reclamation and acceptable standards (PB-234 254/CZ). Kentucky U. Inst. for Mining and Minerals Research, Lexington. June 1974. 47pp. $3.75.

Community adoption of water reuse systems in the United States (PB-234 030/CZ). Clark U., Worcester, Mass. 1974. 316pp. $9.25.

U.S./USSR technology and patents: sales and licensing prospects (PB-234 533/CZ). Licensing Executive Society, Pittsburgh. 1974. 159pp. $40.

Wholesale dealers of fishery products, 1972 (COM-74 11288/CZ). Commerce's National Marine Fisheries Service, Washington, D.C. July 1974. 229pp. $7.50.

Economic analysis of effluent guidelines for selected segments of the seafood processing industry: catfish, crab, shrimp and tuna (PB-234 214/CZ). Development Planning and Research Assoc., Manhattan, Kan. July 1974. 131pp. $5.75.

Economic analysis of effluent guidelines for the ferroalloys industry (PB-234 045/CZ). Kearney (A.T.) Inc., Chicago. June 1974. 131pp. $5.75.

Industrial chemicals solid waste generation: process change, resource recovery and improved disposal (PB-233 464/CZ). IR&T, Arlington, Va. June 1974. 155pp. $6.25.

Economic analysis of effluent guidelines for the inorganic chemicals industry (PB-234 457/CZ). Arthur D. Little, Cambridge, Mass. Apr. 74. 152pp. $6.25.

Impact of motor gasoline lead additive regulations on petroleum refineries and energy resources 1974-80: Phase I (PB-234 185/CZ). Arthur D. Little, Cambridge, Mass. May 1974. 131pp. $5.75.

Effect of gas turbine efficiency and fuel cost on the cost of producing electric power (PB-234 159/CZ). Monsanto Research Corp., Dayton, O. May 1974. 32 pp. $3.75.

Efficiencies in power generation (PB-234 160/CZ). Monsanto Research Corp., Dayton, O. May 1974. 48pp. $3.75.

National health insurance: Costs and distributional effects (PB-234 289/CZ). Urban Institute, Washington, D.C. 122pp. $6.50 (microfiche $6.50).

Smaller Minorities Make Strong Gains In U.S. Business Ownership

Asian Americans, American Indians, and other non-black and non-Spanish minorities owned 66,841 businesses in 1972, according to a recently-issued report from Commerce's Bureau of the Census.

The total was 14 percent greater than in 1969, the last time that Census surveyed minority business.

During the intervening three years, gross receipts from businesses owned by Asian Americans, American Indians, and other small minority groups increased 46 percent to an estimated 1972 figure of $4.1 billion.

The new report is the second in a series on minority enterprise from the 1972 Economic Censuses, five-year canvasses of the nation's economic activity by the Census Bureau. An earlier report covered black business.

This report is the first to provide statistics on entrepreneurship by individual minority groups. The following table shows 1972 totals of businesses and receipts for these groups:

Minority group	Firms (number)	Gross receipts
U.S., total	66,841	$ 4.1 billion
Amer. Indian	1,819	$ 48.8 million
Chinese	13,070	$ 1.2 billion
Japanese	17,837	$ 1.0 billion
Korean	1,201	$ 64.8 million
Filipino	2,237	$ 34.6 million
Asian Indian	673	$ 17.6 million
Other groups	3,982	$482.6 million
Not specified	26,022	$ 1.2 billion

Among the states, California ranked first in ownership of business by Asian Americans, American Indians, and other small minorities with 26,054 such firms that had gross receipts of $1.6 billion. Other leading states, in order, were Hawaii with 13,635 firms and gross receipts of $1.1 billion; New York with 4,848 firms and gross receipts of $173.7 million; Illinois, with 2,178 firms and gross receipts of $99.9 million; and Washington with 1,860 firms and gross receipts of $96.8 million.

The Los Angeles-Long Beach Standard Metropolitan Statistical Area (SMSA) ranked first among metro areas with 11,721 such minority enterprises in 1972, followed by Honolulu, 10,406; San Francisco-Oakland, 6,469; and New York, 4,265.

These businesses were highly concentrated in retail trade and selected services, which accounted for 63 percent of all the firms and 63 percent of their receipts. There were 22,589 firms in retail trade owned by Asian Americans, Indians, and others with receipts of $2.1 billion and 19,595 firms in the service industries area with receipts of $437 million.

However, from 1969 to 1972, the greatest percentage increases in receipts were in manufacturing (88 percent) and wholesale trade (82 percent). The largest increases in actual receipts were in retail and wholesale trade. Retail trade receipts increased to $2.1 billion in 1972 from $1.5 billion. Wholesale trade receipts increased to $510 million from $279 million.

The report also includes detailed data on industries by type, number of paid employees distributed geographically by industry, size of firm, and legal form of organization.

Single copies of the report, "Minority-Owned Businesses — Asian Americans, American Indians, and Others," MB72-3, may be purchased for $3.60 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 or from Commerce District Offices in major cities of the United States.

Minority Firms Get Introduction To Export Market

The nation's minority enterprises are expanding into foreign markets in their search for sales, with benefits to the balance of payments and increased business for themselves.

Developing opportunities for minority firms to reach new markets abroad is the objective of an experimental project recently launched by Commerce's Office of Minority Business Enterprise.

Alex Armendaris, Director of OMBE, says that his office has contracted with Thomas H. Miner and Associates, a Chicago-based marketing consulting firm, to identify about 50 minority firms in the United States with export capabilities, and provide them with customers for their goods in proven foreign markets.

Armendaris says a goal of $3 million in export sales during the first year has been established. To qualify, the minority firms must have a proprietary product or line, adequate cash reserves and production capacity, and a strong desire to take part in export trade.

A one-year, $183,881 contract calls for Miner and Associates to provide a full range of services to the minority firms, including product promotion, location of buyers, negotiations with purchasers, development of payment terms, servicing and delivery schedules, and other services pertaining to exporting.

Agreements obtained from foreign buyers are to be explained in detail to the manufacturers and, where appropriate, recommendations for signature will be made. Because exporting will be a new venture for the minority firms, the contractor will provide guidance and counsel on all phases of export operations, and will help the firms to become self-sufficient in handling foreign trade.

Mileage Guide Gives Data For '75 Cars, Trucks

Are you in the market for a 1975 automobile? Before buying, the Federal Energy Administration suggests that all potential purchasers compare the various models they are considering in terms of the likely gas mileage.

To help prospective buyers choose a new car, FEA and the U.S. Environmental Protection Agency have published results of fuel economy tests in a booklet entitled *1975 Gas Mileage Guide for New Car Buyers.*

The *Mileage Guide* lists estimated city and highway miles per gallon ratings for all new cars and light-duty trucks that meet 1975 emission standards and were certified for sale in the United States as of September 15, 1974. Each vehicle's engine size, number of cylinders and type of fuel system is described. In addition, particular models equipped with catalytic converters are identified.

While these ratings can help a buyer select a car with good fuel economy, FEA points out that an individual driver will not necessarily attain the identical gas mileage as the test results. Many factors affect the fuel economy of each car, including:

- Individual driving habits. Frequent starts and stops, long periods of idling, and uneven speeds decrease the number of miles per gallon;
- Accessories such as air conditioning and automatic transmission use more gasoline and increase the car's weight.
- The condition of the engine—keeping the engine tuned will help get the best fuel economy and performance.

Cars intended for sale in California are listed in a separate edition. Buyers should specify the California edition if they are buying a car in that state.

Single copies of the guide are available from Consumer Information, Pueblo, Colo. 81009. For multiple copies, write to FEA's Office of Communications and Public Affairs, Room 222B, Old Post Office Bldg., Washington, D.C. 20461. Attn: George Young.

Acoustic Sounder Promises Possible Solution To Nation's Smog Problem

At last a device has been developed which gives a clear picture of the atmospheric conditions which trap smog in the Los Angeles area, and how they change from minute to minute and day to day. If the device proves out, hopefully it can be used in the future to provide similar pictures of atmospheric conditions in other smog areas.

This is an acoustic sounder, a remote-sensing device. Several of the devices have been developed by the Wave Propagation Laboratory of Commerce's National Oceanic and Atmospheric Administration (NOAA) at Boulder, Colorado. The device is being tested in a year-long experiment being conducted by NOAA.

The device promises to give pollution meteorologists an opportunity to keep a constant watch on trends in smog areas. Thus they would be in a better position to warn officials if a smog emergency is developing, or to warn them earlier, so that they could put preventive measures into effect to head off any emergency.

The smog itself is a different problem, and other means must be used to reduce its damaging effect. It is caused by inversions of air that flow in from the cold ocean, filling the Los Angeles basin with low-lying layers of cool air. These cool air layers, which are heavier than warm air, seal the city, its industries, traffic, and seven million inhabitants into a shallow, sluggish mass of atmosphere.

The basin is a natural receptacle for cold air off the sea. A warm inversion layer above this heavier stratum of cold air blocks the development of rising currents needed to pump fresh air into the city. The trapped smog of one day may become the next day's starting point, and so on until the inversion finally is broken by one of the infrequent weather systems that cross the area.

Gives continuous data

Until the acoustic sounder was developed, pollution meteorologists, who have studied the smog phenomenon for years, never had a continuous view of how the atmosphere became stratified over Los Angeles, or how it changed. Now hopefully they have one, and readings of atmospheric conditions in smog areas become a different ball game.

Acoustic sounders like the one at El Monte beep high-pitched bursts of sound upward into the atmosphere, and receive faint echoes from changes in air density. Because air density varies with temperature, the record can be read as a profile of thermal turbulence in the atmosphere up to about a kilometer above the sounder.

The technique's main advantages are that acoustic sounders probe the atmosphere in real time, providing a continuous view not available from conventional balloon soundings. Moreover, the method is relatively inexpensive. For researchers, the acoustic profile points up atmospheric trends that are not visible in conventionally sensed data, some of which could become useful predictors for air pollution meteorologists.

The system consists of a "speaker," or transducer, that beeps sound pulses in a narrow beam vertically into the atmosphere. Signals from the transducer are guided by a horizontal cone onto the curve of a parabolic surface, which reflects and focuses them vertically into the air through an octagonal, acoustically insulated horn some 12 feet in diameter at its open end. The roughly cornucopia-shaped horn also "listens" for returning echoes.

The entire system is buried almost flush with the ground, and covered by protective wire mesh.

Records changes

Data from the sounder is recorded continuously at the Weather Service Forecast Office in Westwood. The record shows the stratified atmosphere detected by the sounder, and how it changes over the El Monte site with the passage of time.

The sounder has also proven useful for certain types of short-range forecasting. For example, it appears to give an indication an hour or two ahead of time of the breakup of coastal stratus, or low clouds. The acoustic record shows a vertical spreading of the thin cloud-top layer, which suggests that more sunlight is getting through to the ground to cause thermals and vertical mixing from below.

Sounder data have also helped shape air-quality forecasts, sometimes showing an unexpected lowering of the inversion base, which would point to poorer-than-expected air quality in the basin.

The sounder also has been useful in aviation weather reporting because it shows cloud tops up to about two kilometers' altitude.

The Los Angeles tests of the acoustic sounder are part of a technology transfer arrangement between NOAA's National Weather Service and Environmental Research Laboratories. The type of acoustic sounder used in the Los Angeles evaluation is designed for locations with the persistent, low-level inversions typical of the California coast.

A larger acoustic system designed by the Equipment Development Laboratory of the Weather Service is being given a similar evaluation in the Philadelphia area, where weather conditions present a much different set of meteorological problems.

Should the Wave Propagation Laboratory sounder be adopted for operational use, it probably will be installed in the form of a two or three-sounder array in the Los Angeles basin to provide forecasters with a real-time view of horizontal temperature and cloud distributions over the entire metropolitan area.

COMMERCE'S NEWEST DEPUTY—*Lutrelle F. Parker becomes Deputy U.S. Commissioner of Patents and Trademarks. Mrs. Parker holds the family Bible as sons Lutrelle Jr. and Raymond, and daughter-in-law Brenda look on. Secretary of Commerce Frederick B. Dent administered the oath in a March 18 ceremony at the Commerce Department.*

Book Profits, Real GNP Slumped Sharply During Fourth Quarter '74

The fourth quarter of 1974 didn't end a moment too soon for American businessmen!

Before-tax book profits of U.S. corporations fell $22.9 billion in the fourth quarter of 1974 to a seasonally adjusted annual rate of $134.1 billion, according to preliminary estimates by Commerce's Bureau of Economic Analysis.

Fourth quarter GNP is estimated at $1,430.9 billion, $14.6 billion above the third quarter. However, real output (GNP adjusted to exclude price changes) declined at an annual rate of 9 percent, compared to a decline of 1.9 percent in the third quarter.

The sharp decline in book profits was due almost entirely to a substantial reduction in inventory profits. Inventory profits are estimated at $28.5 billion for the fourth quarter, compared to an annual rate of $51.2 billion in the third quarter.

In estimating profits for inclusion in the national income, BEA eliminates inventory profits through an inventory valuation adjustment. The IVA is estimated by a procedure designed to yield measures of inventories and profits that closely resemble the last-in, first-out inventory accounting method. When inventory gains are removed from reported book profits, the resulting figure—profits from current production—was $105.6 billion in the final quarter of 1974, almost the same as in the preceding two quarters.

New accounting method

The book profits total and the estimate of inventory profits both reflect the increased use in 1974 of the last-in, first-out method of inventory accounting. They take into account the shifts that have already been announced and include an allowance for shifts under consideration. The estimated impact of the shifts to LIFO may be revised next month when more information becomes available.

About half of the book profits decline occurred in manufacturing industries. Earnings of domestic petroleum producers failed to match the very high rate reached in the third quarter, and the already depressed profits of the automakers fell still lower. Book profits of railroads, airlines, and the electric and gas utilities were substantially lower than in the third quarter. There were increases in bank profits and in the net inflow of investment income from abroad in the form of branch profits and dividends.

Corporate profits taxes, which accrue on both profits from current production and inventory profits, declined to a seasonally adjusted annual rate of $53 billion in the fourth quarter, $9.7 billion below the third quarter rate. After-tax earnings fell to $81.1 billion, from $94.3 billion in the third quarter.

Dividend payments, at $33.3 billion, were little changed, and retained earnings dropped to $47.8 billion. Corporate capital consumption allowance rose to $79.3 billion, compared with $77.6 billion in the third quarter. Corporate cash flow declined to $127.1 billion, compared to $138.7 billion in the third quarter.

Symposium To Study Subsurface Resources

The Federal Energy Administration will conduct a symposium on maintaining and centralizing information on subsurface resources on April 10 at Dallas' Adolphus Hotel.

Much of the information used to locate and develop subsurface resources results from "one-time" activities such as seismic surveys, bore hole inspecting, electrically recorded down-the-hole surveys, drilling and coring. Some minerals are becoming depleted and access to this information is becoming more critical.

The symposium will discuss the current state of information gathering and storage; the location and availability of this information; problems in exchanging information; determining an industry-wide agreement on classes of information; examining state regulations concerning gathering and storing this information; ways to improve the exchange of information; and Federal Government assistance in expanding current facilities.

Representatives of universities, industry and government have been asked to present their views. FEA is also encouraging representatives of regional groups and consumer organizations, state and local government officials, representatives from the oil, gas and chemical industries, and members of the general public to attend the symposium and to submit written questions or comments. Written material should be addressed to FEA, Executive Communications, Room 3309, Box CK, 12th and Pennsylvania Ave., Washington, D.C. 20461.

Calendar For Businessmen

April 7-9—New York—Fundamentals of Metals Technology seminar, Barbizon-Plaza Hotel. For information, New York Univ. School of Continuing Education, New York Management Center, 360 Lexington Ave., New York 10017. (212-953-7266.)

April 7-10—Detroit—1975 Int'l Tool & Manufacturing Exposition and Engineering Conference, Cobo Hall. Sponsor: Society of Manufacturing Engineers. For information, SME, 20501 Ford Road, Dearborn, Mich. 48128. (313-271-1500.)

April 7-11—New York—Structural Foams seminar, Barbizon-Plaza Hotel. For information, New York Univ. School of Continuing Education, New York Management Center, 360 Lexington Ave., New York 10017. (212-953-7266.)

April 10-11—Washington — Managerial Decision Making seminar, Georgetown Univ. For information, Ms. Betsy Girton, SSCE—Continuing Management Education, Georgetown Univ., Washington, D.C. 20057. (202-625-3001.)

April 10-15—New York—62nd Annual Convention of the National Assn. of Recycling Industries, Waldorf-Astoria. For information, NARI, 330 Madison Ave., New York, N.Y. 10017. (212-

April 14—New York—Marine Society of the City of New York 25th Annual Dinner, Plaza Hotel. For information, Marine Society, 80 Broad St., New York 10004. (212-944-9196.)

April 16-17—Arlington, Va.—American Apparel Manufacturers Assn. Technical Forum I, Stouffer's Inn. For information. AAMA, 1611 N. Kent St., Arlington, Va. 22209. (703-524-1864.)

April 21-22—Washington—Time Management seminar, Georgetown Univ. For information, Ms. Betsy Girton, SSCE—Continuing Management Education, Georgetown Univ., Washington, D.C. 20057 (202-625-3001.)

April 21-23—Chicago—Cosmetics & Toiletries Packaging seminar, Ambassador Hotel. Sponsor: New York Univ. School of Continuing Education. For information, Ms. Heidi Kaplan, New York Management Center, 360 Lexington Ave., New York 10017. (212-953-7262.)

April 22-24—New York — Machining seminar, Barbizon-Plaza Hotel. For information, New York Univ. School of Continuing Education, New York Management Center, 360 Lexington Ave., New York 10017. (212-953-7266.)

New EEC Trade Agreement With Developing Countries Seen As Opening Markets

The Lome convention, a trade and aid pact linking the nine European Economic Community nations and 46 developing countries, places commercial relations between the Nine and their former colonies on a new basis that should provide easier American access to these emergent markets.

Signed at Lome, Togo, this five-year treaty will provide the framework for commercial relations between the EEC and three groups of countries—the 22 African countries that have previously been associated with the EEC, 18 additional African, Caribbean and Pacific countries that were members of the British Commonwealth, plus six additional independent countries.

The Convention, signed Feb. 28, will enter into effect when ratification procedures are completed, probably in the latter half of 1975. Meanwhile, existing trade arrangements will continue to apply.

The inclusion of the Commonwealth countries is related to the dissolution of the Commonwealth preferences resulting from Britain's joining the Common Market on Jan. 1, 1973. Provision had been made for offering EEC preferences to certain of the less developed Commonwealth countries; Asian countries were ineligible. The total population of the 46 African, Caribbean and Pacific (ACP) countries is 268 million.

The negotiation of this Convention is a major achievement, especially in view of the diversity which characterizes the ACP's. Geographically dispersed, some are French-speaking, others English-speaking, some, like Nigeria, are potentially wealthy, while others have per capita incomes of less than $150 per year. Some of the Caribbean countries, particularly Jamaica and the Bahamas, conduct more trade with the U.S. than with EEC.

The EEC will allow 96 percent of ACP agricultural exports (of which 12 percent is sugar) to enter the Community completely free of import duties and quotas. The remaining 4 percent will receive some preferential treatment.

The ACP countries are under no obligation to reciprocate by granting the Nine "reverse preferences". They need only give them most-favored nation (MFN) treatment and refrain from discriminating among EEC member states. Most of the ACP states which had formerly extended reverse preferences are expected to withdraw them. The Community's exports have been admitted under preferential arrangements by practically all of the 19 African members of the previous Yaounde Convention—except in a few cases where their development needs warranted otherwise. The changeover by these countries to providing equal tariff treatment to imports from Europe and the rest of the world should be an important boost to the competitiveness of U.S. exports to Africa relative to EEC products. (See article on African marketing strategy on pages 5-7).

The EEC has agreed to some liberalization of rules of origin for ACP products exported to the Community, notably by considering the 46 countries as a single exporting unit.

The new convention contains an original plan to stabilize certain ACP export earnings. The equivalent of over $450 million will be available to aid countries heavily dependent on the export of certain raw materials and agricultural items by protecting them against price and production level fluctuations. When receipts drop by a certain percentage, countries can request compensation. The mechanism triggering the fund will operate sooner for the 34 poorest countries, which, moreover, will not have to reimburse the fund. In principle, certain ACP associate states must repay these compensatory amounts when their export earnings recover.

Several products qualify for this aid: peanuts, cocoa, coffee, cotton, copra and other coconut products, palm oil, nuts and kernels, hides and skins, wood, bananas, tea, raw sisal, and iron ore. The ACP's had hoped to include several other minerals. Although provision has been made for enlarging the list of products after the Convention has been in operation for one year, the Community remains opposed to the inclusion of other minerals.

Lome Signers

Countries included in the Lome Convention are, in Africa, Botswana, Burundi, Cameroon, Central African Republic, Chad, Congo-Brazzaville, Dahomey, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Kenya, Lesotho, Liberia.

Also in Africa, Malagasy Republic, Malawi, Mali, Mauritania, Mauritius, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Uganda, Upper Volta, Zaire and Zambia.

In the Caribbean, Bahamas, Barbados, Grenada, Guyana, Jamaica and Trinidad and Tobago.

In the Pacific, Fiji, Tonga and Western Samoa.

Arrangements for sugar

The negotiations on sugar were among the most difficult since they dealt at a time of skyrocketing prices for supplies for both the short and long term. The pressures on the British Government were intensified by a severe domestic shortage of sugar. The results of the negotiations, which were embodied in a separate protocol, call upon the EEC to purchase and import agreed amounts of cane sugar at guaranteed prices from 13 ACP countries for an indefinite period. In return these ACP countries agreed to supply certain quantities.

The ACP producers are guaranteed a market for 1.4 million tons of sugar annually (13 percent of EEC consumption) for at least seven years as the price paid to EEC producers.

Unlike the rest of the five-year pact, the sugar protocol has an indefinite life span. It could be canceled by either side at two years notice, but not earlier than the expiry of the Lome Convention, thus giving the sugar clauses a minimum life of seven years. Under present EEC rules, a cancellation decision by the Community would require a unanimous decision of the Council of Ministers.

Community aid to the ACP countries during the life of the treaty will total $4.1 billion. This will include the aforementioned $450 million export stabilization fund, $470 million in European Investment Bank loans, and about $3.2 billion in financial aid. The financial aid figure

will break down as follows: about $2.5 billion in grants, $520 million in special loans, and $115 million in risk capital. The terms of the special soft loans are 40-year maturity, 10-year grace period, one percent interest. The source for the financial aid is the European Development Fund, which has provided over $2 billion of aid to the African associates since it was created by the EEC in 1958.

The risk capital provision may involve the acquisition of holdings in capital of ACP firms engaged in industrial, mining and tourist business. Two new instruments are created to encourage industrial development in the ACP's. A Committee of Industrial Cooperation will give overall direction, and a jointly-managed Center for Industrial Development will be established in Brussels. The intent is to supplement the traditional approach to development assistance with joint ventures, infrastructure projects, manpower training, transfer of technology, industrial information services and trade cooperation.

The U.S. continues to view the proliferation of preferential trade agreements as a threat to hard-won progress toward worldwide nondiscriminatory trade. Nevertheless, elimination of the requirement for reverse preferences from the new agreement is a major step forward and should assist U.S. exports in ACP markets.

Economic Unit Formed By U.S., Hungarian Commerce Chambers

An agreement establishing a Hungarian-U.S. Economic Council, aimed at opening direct dialogue between key commercial decision-makers of the two countries, has been signed by the U.S. and Hungarian Chambers of Commerce.

Co-signers, in March 14 ceremonies at U.S. Chamber headquarters in Washington, were U.S. Chamber Chairman of the Board Charles H. Smith, Jr., and Hungarian Chamber President Dr. Odon Kallos.

The bilateral council is the fourth to be established by the U.S. Chamber with an Eastern European nation. Agreements have been signed previously with the Poles, Romanians and the Bulgarians.

James Carter, chairman and chief executive officer of the Nashua Corp., Nashua, N.H., will be organizing chairman of the U.S. section of the council. American firms represented at the signing included Corn Production Systems, Corning Glass Works, First National City Bank, Manufacturers Hanover Trust, General Electric, The Holstein-Friesian Association, Steiger Tractor, and Pan American World Airways.

The final total on U.S. sales to Hungary last year was $56.2 million, a 70 percent jump over 1973, and U.S. sales could climb as high as $100 million this year.

Official Trade Briefs

This article is another in a series of reports that describe actions affecting world trade, as compiled by the Legislative and Tariff Policy Division of the International Economic Policy and Research Staff's Office of International Trade Policy.

THE PRESIDENT

Bills Vetoed: The President vetoed H.R. 1767, to suspend for a 90-day period the authority of the President to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom, and to negate any such action taken by the President after Jan. 15, 1975 and before the beginning of such 90-day period.

Executive Order: The President issued an executive order temporarily delaying implementation of previously ordered tariff increases on imports of crude oil, natural gas products, unfinished oils, and all other finished products (except ethane, propane, butanes, and asphalts). The tariff increase to $2 per barrel will now become effective May 1 rather than March 1, and the increase to $3 per barrel will become effective June 1 rather than April 1.

THE CONGRESS

Senate Confirmation: The Senate on March 19 voted unanimously to confirm the nomination of Frederick B. Dent as the President's Special Representative for Trade Negotiations, following a unanimous recommendation by the Committee on Finance that he be confirmed. Since January 1973, Dent has served as Secretary of Commerce. The Special Trade Representative is a cabinet-level post which carries the rank of Ambassador. As STR, Dent will report directly to the President and will be responsible for conducting trade negotiations and reaching trade agreements.

Advisers to International Trade Conferences: The following Senators and Representatives have been selected for accreditation by the President as official advisers to U.S. delegations to international conferences relating to trade agreements: Senators Long, Talmadge, Ribicoff, Fannin, and Roth; and Representatives Landrum, Green, Gibbons, Conable, and Archer.

Committee Hearings—Senate: The Subcommittee on Multinational Corporations of the Committee on Foreign Relations held hearings to receive testimony on proposals for financing oil imports. The Subcommittee also began hearings to examine the alleged boycott by Arab investors of American companies which do business with Israel.

The Subcommittee on Western Hemisphere Affairs of the Committee on Foreign Relations resumed hearings on U.S. relations with Latin America. Those testifying included Michael Glitman, Deputy Assistant Secretary of State for Economic Affairs, and Kenneth Guenther, Acting Deputy Special Trade Representative.

The Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs held hearings on S. 425, to require notification by foreign investors of proposed acquisitions of equity securities of U.S. companies. Among those testifying was James L. Pate, Assistant Secretary of Commerce for Economic Affairs.

Committee Hearings—House: The Subcommittee on International Trade and Commerce of the Committee on Foreign Affairs held hearings on discriminatory Arab pressure on U.S. business.

The Subcommittee on Labor Standards of the Committee on Education and Labor held hearings on the impact of imports on the automotive and related industries.

The Subcommittee on International Organizations of the Committee on Foreign Affairs held hearings on H.R. 1287, to amend the United Nations Participation Act of 1945 to halt importation of Rhodesian chrome.

New Legislation: Since the opening of the 94th Congress, 224 trade and related bills have been introduced. Proposed legislation not previously reported in this column includes: S. 610 and H.R. 3944, to provide that all petroleum imported into the United States after Sept. 1 shall not be available for purchase other than by the Government of the United States; S. 785 and H.R. 2927, to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caprolactum; S. 795 and H.R. 4133, to suspend all sales of defense articles and services for 6 months to Iran, Saudi Arabia, Iraq, Qatar, Bahrain, the United Arab Emirates, and the Sultanate of Oman;

Also, S. 822, to reduce oil imports into the United States; S. 854, to amend the Foreign Military Sales Act to require congressional approval for any sale, credit sale, or guarantee involving a major weapons system or major defense service, and to require congressional approval of the total amount of sales, credit sales, and guarantees made to any country or international organization;

S. 883, to amend the Agricultural Trade Development and Assistance Act of 1954 to provide the United States with the flexibility with which to participate in efforts to alleviate the suffering and

human misery of hunger and malnutrition; S. 888, to amend the Trade Act of 1974 to allow the extension in certain cases of the Generalized System of Preferences to OPEC member-countries; S. 935, to terminate the embargo against trade between the United States and Cuba; S. 953, to amend the Export Administration Act of 1969 to clarify and strengthen the authority of the Secretary of Commerce to take action in the case of restrictive trade practices or boycotts; S. 954, to suspend the duty on railroad and railway rolling stock exported for repairs or alterations on or before Aug. 31; S. 995, to regulate investment by foreign governments and foreign government enterprises in certain U.S. business enterprises;

H.R. 2627, to reduce the duty on aspen wood particle board; H.R. 2650, the Administration's omnibus energy bill; H.R. 2826, to suspend for a temporary period the import duty on tungsten ore and other materials in chief value of tungsten; H.R. 2867, to establish within the Department of Commerce a Foreign Investment Review Administration; H.R. 3085, to prohibit foreign oil producing countries, and the citizens, residents, or agents of such countries, from acquiring controlling interests in any domestic petroleum-related or energy-producing industry; H.R. 3281, to amend the Commodity Exchange Act to require public disclosure of certain information relating to sales of commodities for export; H.R. 3307, to amend the Export-Import Bank Act and the Trade Reform Act of 1974 to ease restrictive limitations on credits to be made available for export sales of American goods to the USSR; H.R. 3361, to suspend the duty on open-top hopper cars exported for repairs or alteration on or before June 30; H.R. 3401, to create a Joint Congressional Committee on Foreign Investment Control in the United States; H.R. 3424, to amend the Securities Exchange Act of 1934 to restrict persons who are not citizens of the United States from acquiring more than 35 percent of the non-voting securities or more than 5 percent of the voting securities of any issuer whose securities are registered under such act;

H.R. 3477, to amend Title III of the 1933 Act referred to as the "Buy American Act" with respect to determining when the cost of certain articles, materials, or supplies is unreasonable; to define when articles, materials, and supplies have been mined, produced, or manufactured in the United States; and to make clear the right of any State to give preference to domestically produced goods; H.R. 3511, to amend the Tariff Schedules of the United States (TSUS) to repeal the tariff treatment applied to articles of metal exported for processing and returned for further processing in the United States (item 860.30) and to articles assembled abroad from U.S. products (item 807.00); H.R. 3512, to amend the TSUS in order to apply the existing tariff treatment to articles of metal exported for processing and returned for further processing in the United States, and to articles assembled abroad from U.S. products, only to articles which are to be sold to U.S. agencies under procurement contracts entered into before such articles are exported for processing or assembly;

H.R. 3600, to provide for thorough health and sanitation inspection of all livestock products imported into the United States; H.R. 3661, to expand American exports by utilizing foreign currencies owned by the United States to pay foreign import duties on such exports; H.R. 3717, to amend the Agriculture and Consumer Protection Act of 1973, as amended, for the purpose of terminating the requirement for prior approval of export sales of agricultural commodities; H.R. 3976, to suspend until close of June 30, 1977, duties on calcined petroleum coke not commercially suitable for use as a fuel; H.R. 4228, to provide for increased international control of production of, and traffic in, opium; H.R. 4250, to amend the TSUS to provide that certain forms of zinc be admitted free of duty; H.R. 4445, to prevent exportation of certain substances and herbicides from the United States;

H.R. 4454, to amend the TSUS with respect to the rate of duty on olives; H.R. 4627, to amend the TSUS to provide duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled within the United States if duty was paid on such replacement engine during a previous importation; H.R. 4679, to require submission of reports to Congress prior to issuance of a license for export of certain arms, ammunition, or implements of war; H.R. 4694, to direct the Secretary of the Treasury to determine if bounties, grants, or export subsidies are paid by foreign countries with respect to dairy products imported into the United States; and H.R. 4967, to amend the Export Administration Act of 1969.

INT'L TRADE COMMISSION

Adjustment Assistance—Workers: The Commission reported to the President that the following groups of workers meet the requirements of the Trade Expansion Act of 1962 (TEA) and are eligible to apply to the Department of Labor for adjustment assistance: workers and former workers of the Syracuse plant of the General Electric Co., New York **(transistors and diodes);** and workers of Joseph Weiss & Sons, Inc., Brooklyn **(manufactured granite).**

The Commission reported to the President that the following groups of workers are ineligible to apply for adjustment assistance: former workers of Andrew Manufacturing Corp., New York **(women's footwear);** former workers of Gardiner Shoe Co., Inc., Lewiston, Maine **(footwear for women);** former workers of Allen Quimby Veneer Co. Division, Bingham, Maine, of Columbia Plywood Corp., a wholly-owned subsidiary of Columbia Corp., Portland, Ore. **(birch plywood doorskins and birch veneer panels).**

Investigations—Workers: On the basis of petitions filed under provisions of the TEA the Commission has opened the following new investigations on the effect of imports on behalf of workers and former workers of: Williamston Pants Co., Inc., Williamston, S.C., and Westminster Manufacturing Co., Inc., Westminster, S.C. **(men's and boys' trousers);** Sandler-Ette Footwear Manufacturing Corp., Webster, Mass., a wholly-owned subsidiary of the Kayser-Roth Corp., New York **(footwear for women, misses, and children);** and Northland Shoe Corp., Fryeburg, Maine , a wholly-owned subsidiary of Standard Prudential Corp., New York **(footwear for women).**

Investigation—Firm: The Commission has opened an investigation on the effect of imports on behalf of Weiss-Lawrence, Inc., Dover, N.H. **(footwear for women, misses and children).**

Section 337 Cases (Unfair Import Competition): The Commission recently instituted an investigation based on a complaint alleging unfair methods of competition and unfair acts in importation and sale of **eye testing instruments incorporating refractive principles.** The complainant, American Optical Corp., Southbridge, Mass., has named Topcon Instrument Co. of America, Inc., as an importer of subject product.

The Commission ordered termination of investigation No. 337-40, **electronic flash devices.**

As the result of an investigation (No. 337-37), the Commission found that importation or sale of **certain golf gloves** do not meet the criteria of Section 337 of the Tariff Act of 1930 for a finding of unfair methods of competition or unfair acts.

OTHER AGENCIES

Treasury—Dumping Cases: The Department announced a tentative determination to modify the dumping finding on **tuners** (of the type used in consumer electronic products) from Japan to exclude from the finding tuners produced and sold by Matsushita Electric Industrial Co., Ltd., and Matsushita Electric Trading Co., both of Osaka, Japan.

The Department also announced a modification of a dumping finding on **television receiving sets** from Japan to exclude from the finding monochrome

and color television sets produced by Sony Corp. of Japan.

Treasury — Countervailing Duties: Treasury announced a preliminary determination that a bounty or grant under the countervailing duty laws does exist on imports of **cheese** from the European Community. The next step in this matter will be a final determination of (1) the amount of the bounty or grant and (2) whether the discretionary provisions of the Trade Act of 1974, which allow temporary suspension of countervailing duty findings in certain cases, can be applied to this situation.

Treasury also announced a preliminary determination in a countervailing duty investigation on **certain electronic products** from Japan. The determination stated that Japanese firms have received benefits under three programs which constitute bounties or grants, including preferential interest rate loans from the Japanese Development Bank, promotional assistance from the Japan External Trade Organization (JETRO), and tax deferrals under the Overseas Market Development Reserve.

In the first two programs, the benefits bestowed on exporters involve an amount considered to be insignificant. Treasury is investigating the possibility that significant bounties or grants are being paid or bestowed under the Overseas Market Development Program, although when considered in the aggregate, the benefits of this program to the Japanese electronics industry also appear to be insignificant. If no Japanese firms are found to benefit from this program in more than an amount considered legally and economically insignificant in relation to the quantity of exports involved, a final negative determination will be issued. In the event that significant subsidies under this program are found, appropriate action will be taken under the law.

The Department announced action on two products imported from Italy: countervailing duty proceedings on **dried apples** have been terminated, while similar proceedings on **steel products** have been initiated.

Treasury also issued a preliminary determination in a countervailing duty investigation of **non-rubber footwear** from Argentina. The Treasury notice states that payments were made by the Goverment of Argentina upon the exportation of non-rubber footwear which would have constituted a bounty or grant, but that Argentina has now abolished for footwear producers the program under which such payments were made.

Labor—Adjustment Assistance: The Department denied a petition for adjustment assistance on behalf of about 465 former workers of the Mount Vernon, Ohio, plant of PPG Industries, Inc. **(sheet glass).**

Multilateral Trade Negotiations

This is the first in a series of reports on U.S. and foreign government actions in multilateral trade negotiations, prepared by the Commerce Department's Office of International Trade Policy.

GENEVA: The **MTN Nontariff Barriers Group,** which met March 4-7, agreed to begin negotiations in late April on significant nontariff barriers, in four subgroups:

1) quantitative restrictions (including import prohibitions, and voluntary export restraints), and import licensing procedures; 2) subsidies and countervailing duties; 3) standards, packaging and labelling, and marks of origin; and 4) customs valuation, import documentation (including consular formalities), customs nomenclature, and customs procedures.

The NTB Group will review the work of the subgroups in late June, and prepare a report to the GATT Trade Negotiations Committee.

The NTB Group also agreed that from time to time it will consider the feasibility of taking up additional items and that no NTB is being excluded from consideration. After the August recess, the Group will meet to consider the establishment of a second list of nontariff barriers for priority attention. From the viewpoint of the U.S. negotiators this was a successful meeting that provided an excellent basis for future progress.

The **MTN Tropical Products Group** met March 10-14 and agreed to establish guidelines for the organization of negotiations on tropical products. It will meet next during the week of June 16 to review requests and clarify any issues that may develop. The most important aspects of the guidelines provide:

1) Developing countries the opportunity to submit their initial requests for concessions—whether in the tariff or non-tariff barrier area—by May 16; 2) bilateral consultations to clarify and discuss requests; 3) discussion of the arrangements for the presentation and possible circulation of initial offers; 4) initiation of tropical product negotiations without prejudice as to the definition of tropical products and 5) concrete results in as broad an area as possible with respect to tropical products at the earliest possible date.

The **MTN Tariff Group** met March 18-21 to consider various tariff-cutting formulas, the determination of the base date and base rates participating countries would use in determining their obligations under a tariff cutting formula, and the gathering of necessary statistical or analytical information.

The **MTN Agriculture Group** met March 25-28 and considered the products, product sectors and problem areas on which the negotiations should first be initiated, the establishment of procedures allowing products or problems not in the initial list to be included in the negotiations, and organizational matters.

The **MTN Sectoral Group** is scheduled to meet April 8-11 to examine suggestions and proposals that for selected industries the negotiations be held by sector.

The **MTN Safeguard Group** also is scheduled to meet April 8-11. In addition to organizational questions, the Group will discuss the adequacy of present multilateral safeguard procedures, including GATT Article XIX, and will review the safeguard mechanisms used by the various countries.

WASHINGTON: The **U.S. International Trade Commission** opened its hearings to obtain views of business, labor, consumers, and the public on the impact of future U.S. tariff reductions the President might make through international trade agreements under the Trade Act of 1974.

After holding sessions in Washington, New Orleans, Atlanta, Phoenix, San Francisco, Minneapolis, and Portland, Ore., the Commission will now hold hearings in New York, Boston, Chicago, Cleveland, Denver, Omaha, and Kansas City, Missouri. On April 8 the hearings will resume in Washington and run until completed.

The **Industry Consultations Program** is under way with advice coming in during February and March from most of the 500 industry participants. Many nonmember submissions also have been received. These materials currently are being tabulated and incorporated into draft reports to go from the 26 Industry Sector Advisory Committees (ISAC) to the Secretary of Commerce and the President's Special Representative for Trade Negotiations, who are jointly conducting the program.

The next round of ISAC meetings has been scheduled for May, to review and discuss the draft reports.

OTTAWA: The **Canadian Trade and Tariffs Committee** (CTTC) has announced arrangements to insure adequate consultation between Canada's MTN delegation, government officials, and private associations and companies across Canada. It will conduct regional consultations starting in the Western Provinces in late April and continuing through the Maritime Provinces by late May. A written brief must be submitted before the Committee will hold oral consultations. For further information on the CTTC consultations write: Secretary, Canadian Trade and Tariffs Committee, 125 Sussex Drive, Ottawa, Ont. K1A OHS.

Suppliers Of Heavy Equipment Find New Sales Prospects In India, Pakistan

U.S. producers of heavy earthmoving equipment seeking to widen their sales in India and Pakistan found some clearly favorable market features—the high regard which end-users have for American equipment and the priorities accorded by the two governments to mining and infrastructure projects.

Thirteen of America's equipment manufacturers and engineering firms in the mining and construction field joined in a recent trade mission that was timed to explore opportunities related to mining development in India and large-scale road, harbor, fertilizer, pipeline, irrigation and water treatment projects in Pakistan. A summary of the mission's findings follows.

Coal priorities in India

India's Coal Mining Authority Ltd., a government controlled entity, is responsible for all policies and activities related to the coal industry—except two captive coking mines owned and managed by private sector steel plants. The government plans to increase production from a current level of 78 million metric tons to 135 million annually by 1979. It is estimated that this program—aimed at utilizing the country's virtually unlimited coal resources as a source of low-cost energy—will involve expenditures of about $920 million for exploration, feasibility studies and equipment.

Another undertaking, the Iranian-financed Kudremukh project, will involve spending $400 to $600 million in the next few years for engineering, construction, and equipment to produce 715 million tons of concentrates for export. The project will require consulting/engineering services, mine development, ore processing, pelletizing plants, conveyor systems, port construction and related infrastructure. Large-capacity equipment, which is not available in India, will be required to insure low-cost production. In addition, the Government of India and state governments are attaching importance to development of other mineral resources such as copper, coking coal, bauxite, and silica sands.

Discussions with state government officials and businessmen enabled mission members to identify projects that provide sales opportunities for the products and services their firms offer. Large-scale projects in advanced planning stages include port development for bulk handling of iron ore, agricultural engineering and irrigation, road construction, cement production and power development.

As for procurement, the Government of India will utilize locally-manufactured equipment to the extent possible; however, to meet priority goals, it must rely on outside procurement for specialized machinery and expertise.

Spare parts availability and credit facilities are important factors in procurement decisions. The Indian buyer also is striving to standardize on equipment wherever possible. For political and economic reasons, preference is often shown for equipment from Eastern European suppliers with which India has bilateral trade agreements or countries which have extended lines of credit on favorable terms. There is an overall preference for U.S. or British equipment, however, and import licenses are issued accordingly if the end-user can justify his need on the basis of technological superiority and prompt delivery.

MISSION MEMBER IN BOMBAY—*Felix A. Anderson (left) of Johnson & Anderson, Inc., Pontiac, Mich., discusses a licensing project with an Indian industrialist.*

Infrastructure in Pakistan

Potential business opportunities in Pakistan greatly exceeded mission members' expectations. The National Construction Company, a quasi-government agency, has immediate requirements for about $150 million worth of equipment for construction of the 800-mile Indus Super Highway. Through discussions with government officials, mission members became aware of many other high-priority roadbuilding projects, as well as plans for harbor expansion, fertilizer plants, pipelines, land leveling, irrigation systems, water treatment plants, well drilling, and cement plants.

Mining is in the early stages of development, and potential for immediate sales is limited; however, the government is increasing emphasis on exploiting known mineral reserves of copper, fluoride, talc, gold and bauxite. Increasing coal production is of high priority.

The market for foreign engineering services is presently hampered by the government policy of using domestic capabilities to the greatest extent possible; but there are possibilities for contracts in specialized fields, and for collaboration in nearby oil-producing Moslem countries.

A large amount of U.S. construction and earthmoving equipment which was previously imported under various assistance programs has an excellent reputation. There is a strong demand for additional equipment, particularly bulldozers, scrapers, graders, road rollers, rock borers, 15- to 25-ton mobile cranes, dredgers, pneumatic drills and compressors, drill rigs for water resources and mineral exploration, mobile generating sets, mobile maintenance workshops, and specialized blasting techniques. Potential buyers in government agencies indicated a desire to standardize certain equipment to permit interchangeability and minimize spare parts problems.

While there is a decided preference for U.S. equipment, procurement decisions are determined largely by the availability of foreign exchange under government-to-government loans. Thus, financing is an integral part of the sales package. As capital equipment would normally be sold to government agencies, supplier credits could be guaranteed by the Ministry of Economy and Finance.

The mission's itinerary included New Delhi, Bombay, Nagpur, Hyderabad, Calcutta, Islamabad, Karachi, and Lahore, where the members talked with both public and private end-users. In addition, they went to Jamshedpur (India) and the nearby Tata Group's mining and manufacturing facilities. Dr. Benjamin L. Hunton of the U.S. Department of the Interior's Mining Enforcement and Safety Administration served as director, and Commerce's Monroe E. Aderhold as deputy director. Other members and the firms they represented were:

Felix A. Anderson, Johnson & Anderson, Pontiac, Mich.; Roshan B. Bhappu, Mountain States Mineral Enterprises, Tucson; Geoffrey A. Devereux, Envirotech Corp., Salt Lake City; Allen B. Handsley, Clark Equipment Co., Benton Harbor, Mich.; Emanuel R. Intocci, Ferrex International, New York; Maynard W. Johnson, Allis-Chalmers Corp., Milwaukee; Leonard E. Johnston, Sverdrup & Parcel and Associates, St. Louis; David J. Mangan, Harnischfeger Corp., Milwaukee; Robert Morse, J. I. Case Co., Racine, Wis.; Grant Risch, Ingersoll-Rand, Woodcliff Lake, N.J.; George Strayton, General Motors Corp., Hudson, Ohio; Jesse B. Villar, N. L. Industries, Golden, Colo.; and Steven F. Zagar, Euclid Inc., Cleveland, Ohio.

Trade Fairs, Centers

Computer Exhibitors' Input At Tokyo Show Augurs Well For U.S. Sales

Responding to a rapidly expanding Japanese demand for computers, 42 U.S. manufacturers exhibiting last month at a U.S. Tokyo Trade Center show confirmed an American Embassy report that utilization of such equipment will continue to grow at a rapid rate. Demand is expected to increase 43 percent annually through 1977 to an annual consumption of $10.7 billion.

The U.S. companies participating in American Computer Technology 1975, 12 of them new to the market, displayed some of the latest and most sophisticated micro- and mini-computer systems, printers, plotters, disk drives, core memories, readers, keyboards, tape transport units, video display terminals and time sharing devices. Greatest visitor interest was expressed in intelligent terminals, on-line 1/0 devices for management information systems, high-speed keyboard display printers, remote batch terminals, 3-dimensional graphic display systems, on-line remote terminal printers with Japanese character (Kana) keyboards, key-to-disk systems, visual computer input systems, high-speed modems and TDM devices for data processing transmission lines.

In a report prepared by the U.S. Embassy last fall, examining major product categories judged to have high potential for increased U.S. exports to Japan, computers, peripherals and data communications equipment were ranked at the very top of the list. The Japanese Government's 50 percent liberalization on capital investment in manufacturing, leasing and selling of computer equipment in August of last year, provision for 100 percent liberalization in capital investment by Dec. 1, 1975, and the elimination of import quotas on mainframe computers, memories, terminals and computer parts by the end of this year will help imports of computer equipment to increase an expected 30 percent annually to a 1977 sales figure of $1 billion.

As reported in *Commerce Today*, March 17, page 25, the U.S. exhibitors collectively sold during the show or projected sales for the following year at more than $15.9 million.

MACHINES IN OPERATION—*Interested customers look and listen as John Farrell of Compucorp demonstrates his firm's products at the American Computer Technology 1975 U.S. Trade Center show in Tokyo, in which 42 exhibitors participated.*

HOW TO USE IT—*George Garamy, Frigitronics of Connecticut, Inc. (second from right), demonstrates his firm's Cryosurgery System at U.S. Trade Center, Singapore.*

Singapore Is Seen As Growing Regional Medical Supply Center

"A good current market, and an even better potential market," was the appraisal brought back by seven U.S. manufacturers of medical equipment and supplies who exhibited their products recently at the U.S. Regional Trade Center in Singapore.

With a population of only 2.3 million, Singapore alone cannot be considered a leading market; however, it is rapidly establishing its credentials as an important regional medical services and supply center and, as such, it could cater to a population of 250 million people. Singapore is also a sophisticated market with a preference for high quality and technologically advanced products. Exhibitions at the Trade Center are routinely promoted throughout the regional market, bringing buyers and potential agents from Malaysia, Indonesia, Thailand, the Philippines, and Hong Kong to these events.

The Government of Singapore is in the midst of a major hospital construction program that calls for the addition of more than 3,000 beds and a wide range of mechanized and automated specialist services within this decade. As the United States currently supplies about 50 percent of the medical equipment market, compared with only 30 percent in 1970, U.S. suppliers should be able to do well in the years ahead.

The exhibition was organized by the Commerce Department as a Joint Export Establishment Promotion (JEEP) presentation, which focuses on new-to-market firms only. The participants' immediate and 12-month projected sales total more than $745,000.

U.S. Exhibition Results In Brief

The following summary reports have been received on U.S. overseas commercial exhibitions. Further details and marketing data derived from these exhibitions will be published as available.

Power Sources Exhibition. U.S. Trade Center, Milan, Feb. 8-12. Exhibitors, 18. Floor sales, $255,000; 12-month projection, $40.4 million, of which $9 million is estimated by new-to-market firms. Three licensing agreements and three joint ventures are expected to be signed.

Automated Business Equipment and Systems. U.S. Trade Center, London, Feb. 24-28. Exhibitors, 36. Floor sales, $1,668,000; 12-month projection, $14.2 million, of which $6.9 million estimated by new-to-market firms. Representatives appointed, 26; agreements under negotiation, 30.

Automotive Diagnostic and Repair Equipment. U.S. Trade Center, Tehran, Feb. 3-7. Exhibitors, 19, representing 34 companies. Floor sales, $1.8 million; 12-month projection, $7.7 million of which companies new-to-export or new-to-market estimated $4.1 million. Representatives appointed, 8; under negotiation, 7.

Automotive Service and Repair Equipment Exhibition. U.S. Trade Center (offsite), Beirut, Feb. 10-14. Exhibitors, 15. Floor sales (14 of 15 exhibitors reporting), $685,600; 12-month projection, $4.2 million, of which firms new-to-market account for $1.3 million. Agents and distributors appointed, 8; under negotiation, 10.

Leisure Time. U.S. Trade Center, Stockholm, Feb. 10-14. Exhibitors, 20. Floor sales, $59,765; 12-month projection, $5 million, firms new-to-market accounting for $4.4 million. Representatives appointed, 13; agreements under negotiation, 38.

Industrial Instrumentation and Process Controls. U.S. Trade Center, Sydney, Feb. 17-21. Exhibitors, 46. Floor sales (41 of 46 exhibitors reporting), $200,000; 12-month projection, $1.8 million, with firms new-to-market forecasting $150,000.

Selected Office Equipment. U.S. Trade Center, Stockholm, Feb. 25-27. Joint Export Establishment Program (JEEP) presentation. Three companies new-to-market. Floor sales, $11,500; 12-month projection, $1,6 million. Representation agreements, 2; under negotiation, 5.

PRINT PACK '75. U.S. Exhibition in 7th International Packaging, Paper and Graphic Arts Fair, Sao Paulo, March 3-9. Exhibitors, 60. Floor sales, $2.1 million; 12-month projection, $16.3 million, of which new-to-market firms account for $5.8 million. Representatives appointed, 22; under negotiation, 15.

Pulp, Papermaking & Conversion Equipment. U.S. Trade Center, Paris, March 3-7. Exhibitors, 30, representing 33 manufacturers. Floor sales, $524,200; 12-month projection, $7.4 million, of which $2.3 million is estimated by 14 new-to-market firms.

Winter Sports Equipment Show Precedes Olympics

Preceding the Winter Olympic Games at Innsbruck, Austria, a special exhibition of winter service equipment will be held there in October. INTERALPIN will feature machinery, equipment and vehicles needed on ski slopes and other winter sports sites; snow removal equipment; snow guns; alpine rescue equipment; cable, chain, and tow lifts and snowmobiles. Firms interested in exhibiting should write by April 15 to: Offerta, Werbe- und Austellungsge. mbH., Fuerstengasse A-1090 Vienna, Austria; phone 0222/346130.

Shows In USSR, Early '76

Two early 1976 commercial exhibitions, both to take place in Sokolniki Park, Moscow, have been announced by the USSR Chamber of Commerce and Industry: Equipment for Self-Generated Working of Metals, Jan. 15-24; and Instruments and Apparatus for Radio-Physical Research, Feb. 16-25. For additional information, write: Mihail Frolov, International and Foreign Exhibitions, USSR Chamber of Commerce and Industry, Sokolnicheski Val 1-a, Moscow 107232.

Exhibitors Of Hi-Fi Equipment At Milan See U.S. Sales Gaining

Though austerity would appear to be the keynote today in Italy, judging from overall reports on the economy, sales of many consumer items continue at high levels and the potential for American exports is seen as good to excellent. A case in point is hi-fi equipment.

Twenty Italian agents representing 55 U.S. manufacturers of such equipment recently staged an exhibition at the Milan U.S. Trade Center and attracted more than 4,000 visitors, including 242 registered dealers. Enthusiasm for displayed equipment was reflected in the orders placed during the show by the dealers—a total of $659,000. It is estimated that 12-month follow-on sales will reach $13.8 million, of which $825,000 would represent sales of newly-introduced products.

An Italian trade source now estimates that of the 16 million Italian households, about 40 percent are prospects for hi-fi equipment, and a third of these have the interest and income to consider purchasing U.S. goods.

Items appearing to have the highest sales potential are amplifiers, tuners, speakers, phonograph cartridges, microphones, headphones and stereophonic and four-channel receivers. Other products handled by this same distributor/agent group which are considered to have a good market in Italy are electronic guitars; electronic organs and pianos; synthesizers; and amplifier systems and components for musical instruments.

Opportunities for the following U.S. products appear to be somewhat limited at this time: turntables, tape decks, cassette recorders and conventional musical instruments.

A repeat promotion is being planned for early 1976. U.S. firms not currently represented in Italy may get participation information from Country Marketing Manager for Italy, Office of International Marketing, U.S. Department of Commerce, Washington, D.C. 20230; phone, 202-967-3944.

TRADE CENTER, MILAN—*Almost 250 dealers were among the visitors at Hi-Fi USA, U.S. equipment exhibition that resulted in immediate orders of $659,000.*

Worldwide Business Outlook

Belgian Consumers Ready For More, Better Products

Why should a U.S. consumer goods manufacturer consider selling in Belgium when faced by the unaccustomed problems and apparent uncertainties of an export market? The answer is broader markets and higher profits, according to Roderick N. Grant, Commercial Attache at the U.S. Embassy in Brussels.

Grant begins his analysis of problems and opportunities involved in selling consumer goods to Belgium with some observations that apply to the entire European marketing area. An American shopping in Western Europe immediately notices that merchandise often lacks the style and convenience features expected in the United States. Standards in Europe have increased greatly over recent years but the United States offers a richer variety of merchandise at significantly lower prices. The situation would seem to offer an ideal target for market-wise American manufacturers seeking broader markets for their goods and additional profits for their companies. The experience of U.S. exporters to European markets has shown that the profits can be realized, but not without a serious and knowledgable marketing effort.

In recent years, the Western Europe consumer goods market has caught the attention of a large number of U.S. manufacturers. It is a market of some 250 million people with high and rising disposable incomes and a thirst for material convenience that follows the American pattern with a lag estimated by European retailers at between five and ten years. The market is there as a casual inspection of the products at any major shopping center will show. Mounting sales figures establish the fact.

It is at this point that Grant introduces the "buts" to this glowing picture. First, in talking about a Western European market we are not dealing with one homogeneous entity, but 17 separate sub-markets each with its own variation in tastes and requirements. While an analogy can be drawn with regional differences within the United States, in Europe there are the additional problems of different languages, customs requirements, and marketing practices. Faced with the unaccustomed paperwork of export shipments as well as the fear of non-payment by overseas purchasers, differing tastes, electrical requirements, metric sizing for clothing, relatively small orders, etc., U.S. manufacturers often decide that the extra work is not worth the additional profit. In Belgium, one of the 17 sub-markets of Western Europe, the additional effort required to market U.S. consumer goods has proved worthwhile on a selective basis.

Belgium's nearly 10 million people had a per capita income in 1974 of over $6,000, up about 15 percent from 1973 at current prices. They have a desire for material comforts and possessions, are just beginning to appreciate modern trends as they are known in the United States, and use retailing practices quite different from those of U.S. merchants. For example, laws have been passed in Belgium to restrict the growth of supermarkets and shopping centers, in order to protect the corner grocery and small neighborhood retail clothing store, hardware shop, or sports dealer, with all their inefficiencies.

U.S. has competitive advantages

American products now have going for them a number of competitive advantages, though these are more significant for some items and product categories than others.

First, because U.S. manufacturing costs tend to be lower than in Europe, and because of the successive devaluations of the dollar vis-a-vis European currencies, American products have become much more competitive in price, with whole ranges of goods becoming for the first time cheaper than their European counterparts.

Secondly, Americans continue to lead the world in styling and innovation, despite the strides made by competitors. For example, major U.S. appliances are superior to anything in the world, combining reliability with convenience features not found elsewhere. They simply do the job better. The sophistication of design and quality of many kinds of U.S. consumer goods is unmatched.

The experience of Americans in selling U.S. lines in Belgium illustrates business opportunities available there. Galeries Anspach, a subsidiary of Sears, is a large Belgian department store chain with a major downtown store and branches throughout the country. Convinced that there is a market for them in Belgium, the chain is making a major effort to get more U.S. goods into its permanent inventory. With U.S. Department of Commerce support, it will hold an in-store promotion of American products next month. The Sears purchasing network gives Galeries Anspach access to a very broad range of products.

Among the many U.S. items already found to sell well are large refrigerators, even with the added cost of installing transformers; motorized leaf sweepers and mulchers; towels and bed linens; artificial furs; and quality hand tools. These products offer a combination of quality, price and innovation that make them highly competitive in Belgium. Juan Roca, Sears' Sales Promotion Manager for International Operations, is optimistic that the share of U.S. products in Galeries Anspach's inventory will increase and adds that the store soon will offer U.S. Sears catalog service in Brussels.

Bruce Allen, President of International Products S.A. of Brussels, also sees favorable prospects for U.S. consumer goods in Belgium—and the rest of Western Europe. Indeed, his recently established company is devoted almost exclusively to selling such U.S. lines as International Silver, Vermillion woodenware, Brockway glass and Weber barbecue grills. Buyers in Europe, he says, are looking for new sources of merchandise with innovations, modern styling, attractive and convenient packaging, and, in the case of appliances, practicality. He notes that at the recent National Housewares Exhibition in Chicago, Western European buyers avidly sought out the numerous bargains resulting from the devalued dollar. "But it's not only price," Allen states. "Our quality merchandise is also a major factor."

Grant notes some interesting examples provided by Allen. In silverplate, where the Europeans have an established, sophisticated industry, the U.S. product is significantly cheaper for its quality than the European product. The same is true

BRUSSELS DISPLAY—*Bruce Allen, President of International Products S.A., looks over some of his Belgian company's U.S. merchandise with Arthur Compton, Director of the State of Illinois Office in Brussels.*

of glassware, which would seem to be bringing coals to Newcastle. Yet Allen has been selling glassware by the container load to European customers. He says U.S. manufacturing efficiency makes the difference. Another example is enameled ironware, for which France is famous. A French department store buyer told Allen that he couldn't match the high quality of a reasonably priced U.S. brand in France.

U.S. manufacturers are cautioned, however, that they must observe certain marketing practices if they are to be successful:

- They must have a marketing organization in Belgium—they cannot sell effectively from the United States;
- They must keep stock in Europe, either in their own warehouse or through a network of wholesalers;
- They must meet the competition in terms of payment, e.g., 30 days, and not demand letters of credit; and
- They must be flexible in approaching each separate market—you can't transfer U.S. marketing techniques with a product going to Belgium or other Western European countries.

In some ways doing business in Belgium is easier than in the United States. For example, there is little demand for advertising, demonstrators and other services performed for customers in the United States.

The outlook for sale of U.S. consumer goods in Belgium is good over the near future, even taking into account the general downturn of the country's economy. Opportunities are best in sectors where innovation, styling and packaging are important, but also where advanced manufacturing techniques permit quality production with cost efficiency. Grant has mentioned the variety of items being sold there now. Since the sale of any consumer good involves the intangible of customer taste, it is difficult to predict whether a given product will sell prior to market exposure. Grant adds, however, that many U.S. products enjoy the several advantages he has described.

Sound marketing is a must. Other advantages can be lost if effective sales practices and techniques adapted to local conditions are not followed in this increasingly sophisticated market. Again, however, Americans excel when the effort is made to know the market and the customer.

The U.S. Department of Commerce, in cooperation with the U.S. Foreign Service overseas, is aware of the export potential of U.S. consumer goods and can provide information and services to manufacturers desiring to enter foreign markets. Interested firms are invited to contact their nearest Commerce District Office as a first step in becoming a profitable exporter to Belgium.

Lebanon Gains Importance As Market For Exports, Regional Business Center

The growing interest of U.S. business in the Near East has been reflected in commercial developments in Lebanon over the past several months.

As principal gateway to the area, Beirut has seen a rising influx of visitors from American business whether situated in the United States, Europe, or other areas of the world. Individual visitors have been supplemented by a variety of business groups, both government-organized and privately-sponsored. At the same time, U.S. exports to Lebanon have increased strongly, from $162 million in 1973 to $287 million in 1974, adds Albert N. Alexander, Commercial Attache at the U.S. Embassy in Beirut.

Visitors have included businessmen; high level U.S. government officials; and representatives of individual States interested in promoting trade and investment. Groups which have recently passed through Beirut include a 10-member mission from the National Association of Manufacturers; the "Mid-America Committee" of 20 Illinois business firms; and a Time-Life group of 40 leading business executives. A striking feature of this development is the number of chief executives and other high-ranking persons who are traveling to the area for a reconnaissance, apparently in response to the increased emphasis companies are placing on the Near East as a marketing area.

Trend is accelerating

For many years, Beirut has been known as a regional center for American business and banking in the Eastern Mediterranean. Over 200 major U.S. companies, offering a range of products and services, maintain offices there. In addition, 23 American banks are present in Beirut in some form, whether branch, subsidiary, or representative office. The trend of U.S. business to settle on Beirut as a regional headquarters is accelerating.

During the past several months, new regional offices have been set up by such companies as McGraw-Edison; Black & Decker; Bell & Howell; Phillips Petroleum; Blount Brothers Construction; Cresap, McCormick and Page; C. F. Bean Marine Construction and Dredging; General Motors Overseas Corp.; and Whittaker Corp. Among new banks opening representative offices are the Crocker National Bank, the Fidelity Bank of Philadelphia, and the First National Bank of Dallas. Also, the Fidelity Bank and the Chemical Bank have opened banking operations through acquisition of existing Lebanese banks. Another new American-related financial institution is American Express Middle East Development Co., which was set up to raise capital for various ventures.

In addition to newcomers to Beirut, the strong surge in American business interest is reflected in other ways. Holiday Inns, which has a successful hotel (opened in 1973) operating in Beirut, has assigned a regional vice president there for development of other hotels in the area, while First National City Bank (New York) has moved its regional headquarters back to Beirut after two years in Bahrain. Business offices already established are being expanded with added staff. In some cases, the new concentration on the Mideast area is being done by narrowing the geographic responsibilities of local offices without a reduction in staff to allow the Beirut office more flexibility to develop business in this area. In a few cases, regional managers who supervised Beirut offices from Rome or Athens have moved their residence to Beirut to be "closer to the action."

American business is not alone in concentrating in Beirut. An upsurge in new offices of European, Japanese, and Canadian companies and banks is also taking place. For example, a recent survey by a local newspaper estimated that the Japanese business community has grown to 100 companies, up from 75 companies the prior year.

Several factors make Beirut a likely candidate for regional headquarters of business firms, e.g., temperate climate; good schools and medical care; availability of goods and services of all sorts; adequate transportation and communication facilities; and a pool of competent local office staff and technicians. Moreover, legal requirements with respect to establishing an office, taxes, and work permits are not onerous, and the Lebanese Government is in the process of establishing Beirut as a free zone for non-resident banking in order to maintain its position as a capital of Middle Eastern finance.

These factors continue to pertain although some problem areas are appearing. The expansion of the expatriate business presence in Beirut has caused the price of prime office space to virtually double over the past 18 months. In addition, the level of salaries and benefits for local staff has risen although these are still relatively low when compared to European salaries. Also, a 15 percent inflation factor has been compounded by the steady depreciation of the dollar vis-a-vis the Lebanese pound, causing added expenses for companies maintaining expatriates there. Nevertheless, these trends do not obviate the strong and attractive features that Beirut offers to business firms looking

around for a site for regional operations.

Aside from its commercial importance to U.S. business as a financial and business center, Lebanon is an attractive market in its own right. In recent years, the United States has been Lebanon's principal supplier with about 12-15 percent of the total market, followed closely by West Germany, France, Italy, the United Kingdom, Switzerland, and Japan. U.S. exports to Lebanon have grown from $68 million in 1971 to $130 million in 1972, $162 million in 1973, and $287 million in 1974. Traditionally included in this data are a variety of agricultural products and foodstuffs, industrial equipment, and consumer goods.

It appears that U.S. autos are making a resurgence due to the more favorable price resulting from the dollar devaluation and relatively stronger inflation in Europe and Japan. Also, U.S. exports of agricultural commodities are estimated to have increased from $20 million to about $60 million in 1974. A recent purchase of three Boeing 747 aircraft by Middle East Airlines, financed in part by Eximbank, will be reflected in trade data in 1975.

Obviously from the foregoing trade data, U.S. business is getting good results in the Lebanese market. However, some items of business practice warrant correction. For example, local business people frequently complain that American firms often do not respond to business inquiries. In a recent case, a leading Lebanese businessman purchased Spanish and German equipment when his inquiries to American companies were ignored. In contrast, the Spanish and German firms got in touch with him immediately and followed up on the opportunity.

A point which emerges frequently from conversations with local merchants is the American reputation for quality. Merchants claim that they find that U.S.-made products last longer than the identical product made in, say, a European plant under the same quality-control conditions. Obviously this reputation for quality gives U.S. companies a head-start in business competition. However, Lebanon is an extremely price-conscious market. (The reputation of the Lebanese merchant for astute bargaining is well-founded, observes Alexander, but he often finds a friendly match in the Yankee trader). In addition to price, dependable delivery dates and after-the-sale service figure strongly in successful selling in Lebanon.

At the basis of success is the selection and appointment of an aggressive and competent agent or distributor who is knowledgable about your product and can give it the marketing attention it warrants. Thus American businessmen should be prepared to select associates with careful consideration and then give them the back-up they require. Most Lebanese businessmen regard agency agreements as long-term, personal relationships. Frequent agent-jumping should be avoided in this market. Also, U.S. firms are encouraged to avoid the example of one over-zealous company which entered into exclusive distributorship agreements with two Lebanese companies at the same time. Obviously, this marketing strategy did not double sales, but has had a reverse effect.

PORT OF BEIRUT—*The growth of foreign trade has made it necessary to construct a third basin here, a principal gateway for entry into the entire Near East area.*

Recent interviews with local merchants indicate that strong candidates for incremental sales in Lebanon are health care equipment, mini-computers, graphic arts equipment, business machines, and food processing machinery. Indeed, almost any industrial or consumer product can find a small but profitable market in the well-balanced Lebanese economy. The local population enjoys a relatively prosperous per capita income of $1,000, and is interested in consumer products of all sorts. Lebanon's economy is basically service-oriented but a growing industrial sector offers opportunities for light industrial machinery, particularly for textiles, furniture, and food processing.

As to major projects, several are proposed, planned, or under way in Lebanon including long-range plans for development of the Litani river; expansion of the Beirut airport; construction of highways, water and sewage disposal systems, schools, and hospitals; and improvement of the port of Beirut, which has experienced varying degrees of congestion over the past 12 months. However, progress in moving proposals from the talking to implementation stage has been slow. The current six-year development plan (1972-78) represents more a collection of proposals than a set of projects marked for completion. However, the government is currently making a serious effort to improve the coordination and implementation machinery and a speedup in projects is anticipated.

In general, U.S. contractors have been rather unsuccessful in securing major projects in Lebanon. Lebanese ties to firms of other countries, particularly France, have been strong. Also, many projects are broken down into stages and segments whose small size and cost to bid do not attract U.S. firms. Generally, local Lebanese firms are better able to cope with the complications of contracting in Lebanon; U.S. firms have found it advantageous to find a local partner.

To assist in the promotion of U.S. products, the Regional Trade Development Office in Beirut periodically sponsors special trade exhibitions and catalog shows. American businessmen interested in participating in these special promotions should contact CAGNE, U.S. Department of Commerce, Washington, D.C. 20230.

Businessmen planning travel to the area are encouraged to get necessary visas and confirmed hotel reservations before leaving home. While visa-issuance at the Beirut airport is possible and a hotel room of some comfort is generally available, travelers going on to other Arab destinations have often found it necessary to change plans because they were unable to secure visas or hotel accommodations for ongoing destinations while in Beirut. Also, it would be well to do necessary homework on the economic and political setting, social customs, holidays, etc. of the countries which you plan to visit. In this regard, the Department of Commerce District Offices throughout the United States are a valuable source of information and can provide a variety of commercial services.

Cameroon Favors American Goods, Business Methods

Political stability, a liberal investment code, an official policy of diversifying sources of investment and supply, and an impressive record of growth since independence contribute to creating an attractive business environment in Cameroon.

Public sector projects in the central African nation, either self-financed or supported by international institutions, will continue to generate sizable imports of equipment and technical know-how. Private sector imports from the United States enjoy a good local reputation and have become more competitive because of dollar devaluations and less discriminatory tariff rates than those prevailing in most of francophone sub-Saharan Africa. Cameroon's Third Five-Year Development Plan (1971-76) reserves an important place for private foreign investment, and there is a general appreciation of American technology and business methods, adds the U.S. Embassy in Yaounde.

Cognizant that abundant mineral resources have so far proved elusive, Cameroon has wisely decided to concentrate on developing its varied agricultural resources. A number of well-conceived projects are now under way to regenerate cocoa and coffee export crops, as well as expand rice, sugar, palm oil and cattle production for the local market. Underpinning these projects is a well-advanced transport infrastructure program. Meanwhile, petroleum and mineral exploration as well as liberal encouragement to new industrial ventures, continue to broaden the country's economic potential.

A sharp rate of inflation and a drastically reduced timber market and Arabica coffee crop in 1974 abruptly turned Cameroon's $16 million trade surplus of the previous year into a deficit. The government has tried to mitigate the worst effects of the sudden decline by encouraging increased food production and sheltering those in the money economy through liberalized import regulations and offsetting wage increases. Characteristically, the official approach has remained measured, responsive, and aware of the diverse interests within the economy.

Since gaining political independence, Cameroon has encouraged diversification of its economic and commercial ties to balance out a persistent economic dependence on France. Preferences which linked former French Africa to the metropole have been supplanted by a system of reciprocal trade preferences between the European Community and the African associated states. In January 1970, the UDEAC countries (Central African Republic, Congo, Gabon and Cameroon) sharply reduced tariffs on imports from non-EEC countries, thereby reducing the degree of preference accorded to European suppliers. The new association arrangements recently negotiated between the EEC and African, Caribbean and Pacific countries (see pages 22-23) have eliminated the requirement for such preferences, which disadvantage American and other non-EEC suppliers.

There remain non-tariff barriers such as licensing requirements that regulate domestic industry and control trade in health-related products. Goods from outside the franc zone may only be handled by approved importers, a measure which imposes some inconvenience on American exporters. Several successful American suppliers have appointed a local representative from the list of established importers.

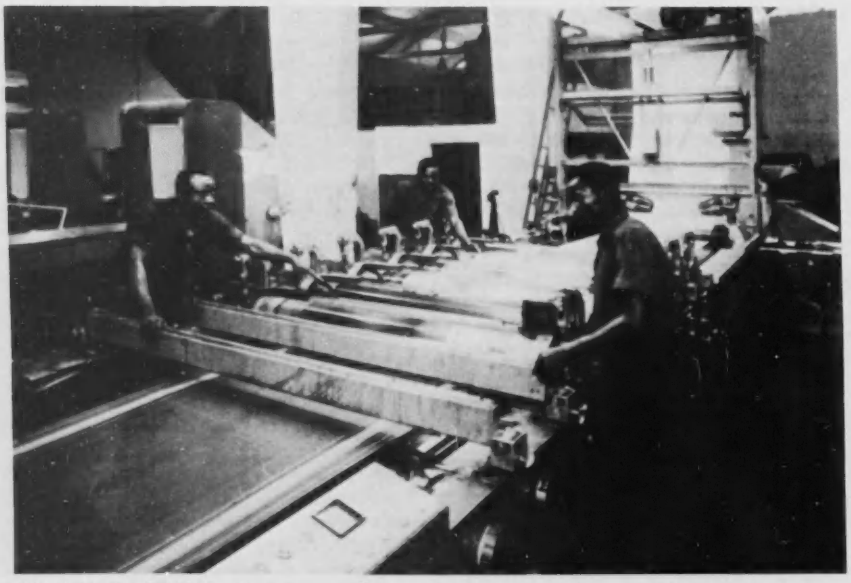
Sales to the public sector represent a large share of the country's imports and benefit from the full force of the government's diversification effort. Sizable purchases of American products have recently been made in commercial aviation and military transport equipment, which in turn carry with them continuing spare parts' sales. Such large sales can highly distort U.S.-Cameroon trade figures, but the public sector is expected to continue to be a good customer for heavy road-building, transportation, and telecommunications equipment, as well as engineering services and plant installations, especially those associated with untied World Bank-financed projects. Public tenders are periodically called for insecticides and agricultural and veterinary supplies.

Continuing market for U.S. products

In the private sector, a continuing market exists for American earthmoving and logging equipment and spare parts, electrical machinery, tobacco, Kraft paper, and canned and processed food. Increased competitiveness of American products because of devaluations and recognized high quality have also stimulated local interest in consumer products such as plastic covering material, hand tools, and clothing.

In recognition that domestic savings and foreign aid alone cannot increase investment at the desired rate, private foreign investment is officially encouraged in Cameroon. American business in particular enjoys a good local reputation for management, technical capability, and innovation. An Economic Mission exists within the Cameroonian Embassy in Washington to stimulate U.S. investment.

The Ministry of Commercial and Industrial Development is the principal agency handling new investments, but most initiatives are subject to inter-ministerial decisions involving pertinent government agencies. Tax privileges and duty-free admittance of equipment are negotiated according to the National Investment Code that provides graduated benefits commensurate with national development priorities. The government may participate in the equity of a new venture, primarily through the National Investment Company, but is generally disposed to assign management control to the private partner. This is true even with recently formed companies having majority government equity. An Investment Guaranty Agreement allowing American investments to be insured through OPIC has existed since 1967.



DOUALA FACTORY—*Workers operate textile printing machinery at CICAM plant. Cameroon's efforts to diversify import sources are improving prospects for U.S. equipment sales.*

Argentina Devalues, Restructures Controls

The Argentine Government has devalued the peso and changed its foreign exchange control system in an effort to increase competitiveness of Argentine exports, maintain a high positive trade balance and improve the government's financial situation.

On March 3 Argentina shifted its basic "financial" foreign exchange rate in pesos per U.S. dollar from 9.93 buying and 9.98 selling to 15.05/15.10 pesos per dollar; and established for selected imports and exports an intermediate rate of 13.03/13.06 pesos per dollar (60 percent at the "financial" rate and 40 percent at the "commercial" rate).

Changes in the foreign exchange control system include assigning importable goods among three lists, namely: List A, comprised mainly of key items (including petroleum, coal, industrial materials and chemicals) which are urgently needed and for which importers can obtain foreign exchange at the commercial rate of 10 pesos to the U.S. dollar; List B, imports for which foreign exchange is to be made available at the intermediate mixed rate of 13.06 pesos per dollar, consisting of such items as capital equipment for the petroleum, coal, and hydroelectric power sectors and certain other semi-essential goods; and List C, those items least urgently required, for which importers are to get foreign exchange at the financial rate of 15.10 pesos per dollar. Similarly, exportable goods are assigned to three lists.

Libya Rules On Vehicle Books

The Libyan Government has announced that all instruction manuals, servicing manuals and spare parts catalogs pertaining to motor vehicles, farm machinery and earthmoving machinery sold in Libya must be available in the Arabic language by approximately mid-June.

Nigerian Port Agreement Should Cut Waiting Time

The Nigerian Port Authority (NPA) has concluded a formal agreement with American West African Conference Lines for priority berthing, guaranteeing maximum waiting time of seven days in return for the conference not imposing a port detention surcharge.

Almost 100 ships waiting up to 90 days to discharge at Lagos-Apapa have resulted in surcharges ranging up to 30 percent as penalty for such delays. The NPA has even had to divert shipments or recommend unloading at less congested ports in neighboring countries. Farrell Lines and Delta Lines are the only U.S. flag carriers serving Western Africa and, along with other flag carriers in the conference, will be able to move U.S. exports more swiftly into the booming Nigerian market and to other West African ports under the agreement.

Bolivian Tariff Reductions Seen Helping U.S. Exporters

In a move designed to ease inflationary pressures on the Bolivian consumer but which should also benefit U.S. exporters, Bolivia is lowering tariffs significantly on about three-fourths of all textiles and dry goods, some appliances and virtually all vehicles except motorcycles and small tractors of the type now assembled in Bolivia (40-120 HP).

Efforts are also in process to eliminate import duties on pharmaceuticals. Separate decrees give the Ministry of Industry and Commerce authority over prices to assure that tariff reductions are passed on to consumers. Importers are expected to increase purchases of autos and appliances and lower income groups should benefit from reductions in clothing and fabric prices.

Zaire Stiffens Regulations On Import Credit, Pricing

The Bank of Zaire has announced amendments to Circular 139 which governs credit and pricing on imports. Most U.S. exports to Zaire must now carry a discount of 6 percent or be financed by a 180-day interest-free suppliers' credit, effective Jan. 29. Compliance with this requirement must be certified by the Office Zairois de Controle (OZAC) through its U.S. agent, Superintendence Co., N.Y.

There are four exceptions: imports of certain food and pharmaceutical products are exempted; imports of certain industrial suppliers are still governed by the original terms of Circular 139, i.e., a 3 percent discount or 90-day interest-free suppliers' credit; imports financed by external sources (e.g., Export-Import Bank or AID) are exempt; special exemptions may be granted by the Bank of Zaire in particular cases.

Further information is available from the Africa Division, Office of International Marketing, BIC/DIBA, U.S. Department of Commerce, Washington, D.C. 20230.

Southwest Trade Conference Scheduled For May In Dallas

The 1975 International Trade Conference of the Southwest is to be held in Dallas May 20-21 during World Trade Week. Southern Methodist University's Business School Management Center, Commerce's Dallas District Office and nine other world trade-oriented organizations are cooperating as sponsoring agencies.

Speakers will include: Leif Olson, senior vice-president, First City Bank, New York; Howard Petersen, chairman, Fidelity Bank, Philadelphia; Warren Lebeck, president, Chicago Board of Trade; Russell Baker, senior partner, Baker and McKensie, Chicago; William Voris, president, American Graduate School of International Management, Glendale, Ariz.; and Robert Gottschalk, partner, Coudert Brothers, New York.

Calendar For World Traders

April 3—Milwaukee—World Trade Club dinner meeting. Speaker: M. P. Kobelinski of Export-Import Bank.

April 3—Memphis—Mid-South Exporters Roundtable dinner meeting, Monte's & Sons Restaurant. Speaker: Senator William Brock.

April 8—Louisville—Kentuckiana World Commerce Council meeting, Holiday Inn Brownsboro East.

April 9—Buffalo—Chamber of Commerce seminar. John J. DaPonte of Commerce's Bureau of Resources and Trade Assistance will speak on International Trade and Trade Zones.

April 9 — New York — FCIB Publishers Export Credit Group luncheon meeting, Advertising Club.

April 9, 10—Grand Rapids & Galesburg, Mich.—First two in series of Export Development Workshops. Sponsors: Michigan District Export Council, Commerce Detroit District Office, Michigan Dept. of Commerce, U. of Michigan Institute for International Commerce.

April 10—New York—Overseas Automotive Club luncheon meeting, Summit Hotel.

April 11—Indianapolis—Purdue University seminar. Don Niewiaroski of Commerce's Office of International Economic Policy and Research will speak on Doing Business with the EEC.

April 15—Memphis—World Trade Club meeting, Southwestern University.

April 17 — New York — FCIB Drug, Chemical & Food Export Club luncheon meeting, Advertising Club.

April 23-25—New York—Seminar on International Equipment Leasing and Financing For Lessors and Lessees, World Trade Institute.

April 24-25 — San Francisco — How to Make Maximum Use of the Domestic International Sales Corp. (DISC), AMA.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about licensing and joint venture proposals, opportunities to sell to foreign enterprises and appoint agents, and details on major construction and expansion projects.

Licensing, Investment Abroad

FRANCE—Seeks license or joint venture agreement for **organic chemical processes (synthesis intermediates).** Firm is construction contractor and pipe manufacturer, established in 1958, employs 500, and has annual sales of $9 million. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75207.

SAUDI ARABIA—Firm is seeking contacts with American companies regarding following projects: (1) **study for setting up full-scale children/adult amusement park;** (2) **operation of restaurants or snack bar chains;** (3) **sale of fire protection systems;** (4) **teaching of English language for different levels and training programs for secretaries, managers, salesmen;** (5) **major desalination operations;** (6) **studies for an integrated motor car parts industry;** (7) **studies for an integrated black and white and color TV industry;** and (8) **prefabricated housing.** Company currently is involved as commercial brokerage organization, commission agent; representative of national and international companies; and importer and distributor of foodstuffs, electrical and industrial equipment and building material. Name and address of person to contact for additional details are available from Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75194.

1041, 1044 — NICARAGUA — Seeks U.S. mining firm for joint-venture exploration and exploitation of **gold and silver discovery in Nicaragua.** Government assay reportedly shows gold content to be 4.30 oz. per ton and silver to be 0.70 oz. per ton. Finder is green coffee merchant and processor. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75180. OPIC.

1600 — YUGOSLAVIA — Major engineering firm seeks to **collaborate with U.S. companies in international construction projects.** The Zagreb concern wants to work with U.S. firms in developing markets where one partner is strong; it can provide construction machinery and qualified labor on sub-contract basis on site in certain countries; and seeks to update its construction technology. Firm specializes in site investigations, soil mechanics, well drilling and all construction work connected with establishing and anchoring foundations, including dams and bridges; has been very successful in the Middle East; is particularly interested in expanding its activity in site investigation and preparation for nuclear power plants. Maintains permanent representatives in 26 countries. Marjan Cuculic, General Director, Geotehnika, Kupska 2, Zagreb. P-75205. OPIC. Copies of the Yugoslav firm's brochures available from Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230.

2099—SENEGAL—Entrepreneur is seeking capital, technical assistance, and marketing assistance to establish **peanut butter and high protein food operation.** Most of equipment needed to set up plant has been purchased from U.S. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75183. OPIC.

2400—BRAZIL—Well-known German firm seeks U.S. partner **to develop turnkey wood processing facilities in Brazil.** Project involves surveying and exploitation of tropical forest stands, establishment of sawmills, plywood and veneer plants and production of chipboard, furniture components, doors and windows. Necessary machinery would be obtained in U.S. Write H. Kirchhoff, General Manager, Dynatec Vertriebs GmbH, 4 Duesseldorf, Kaiser Wilhelm Ring 41. P-75181. OPIC.

2499, 3499—UNITED KINGDOM — Company seeks licensing arrangements to manufacture **wood and aluminum ladders** for domestic application. Firm is brand leader in manufacture of wooden and aluminum ladders, stepladders and garden sheds. Wishes to extend its range of products. Employs 150. J. C. Lenihan, R. F. Hill Ltd., Stafford House, Fordhouses, Wolverhampton WV10 7EP, England. P-75196.

2522 — KUWAIT — Large, established company seeks joint venture partner to expand existing **steel furniture manufacturing operation.** Partner should be willing to make relatively token investment and provide turnkey type management and technical services. Firm, established 1920, has 1,350 permanent employees. Especially active in heavy construction and has been manufacturing steel furniture for past six years. Fawzi Kharafi, c/o Mohamed Ard Al-Moshin Al-Kharafi, P.O. Box 886, Kuwait. Telephone, 813622; cable AL KHARAFI, Kuwait. WTDR. P-75191. Copies of letters should be sent to: Richard W. Bogosian, U.S. Embassy, P.O. Box 77, Kuwait.

2800—UNITED KINGDOM—Licensing arrangement is sought to produce industrial chemicals. Following are types of products that would be considered: **non-household soaps and detergents; metal-polish cloths and paper; internal and external industrial maintenance paints; putty and allied products; automotive chemicals, including battery acid, de-icing fluids and carbon-removing solvents; non-oil base metal-treating compounds; and other industrial chemicals such as fluxes and plastic wood preparations.** Firm employs 16 salesmen and has connections throughout Europe. Products currently being produced by company include tack rags, impregnated dusters, dust retentive mats, peelable protective coatings, chemical cleaning products and paint strippings. Company official will visit U.S. April 12-May 3. K. H. Watson, Chairman & Managing Director, Tak Chemicals Ltd., Hayes Lane DY9 8PJ, Stourbridge, West Midlands, England. P-75184.

2844—SAUDI ARABIA—Seeks licenses to manufacture annually 500 tons each of **toothpaste, shaving cream and depilatory creams.** U.S. firm would be expected to provide equipment, know-how and trademark in return for negotiated fee. There is currently no production of these items in Saudi Arabia. Firm was established in 1960, employs 51 people, and manufactures facial tissues and imports, wholesales and retails pumps, motors, hoses and boats, Said Mohammed Baghanem, Baghanem Corp. for Agriculture and Commerce, P.O. Box 14, Jidda. P-75182.

3011 — INDIA — Cooperative Society seeks U.S. technical collaboration to manufacture **automobile tires and tubes.** Preliminary license granted by Indian Government to produce 300,000 tires and tubes annually. Project costs estimated at $18.6 million, including import of plant and machinery worth $6 million. P. T. Varghese, General Manager, Kerala State Cooperative Rubber Marketing Federation Ltd., 31/1023 Chittoor Road, Ernakulam, Cochin 11, Kerala State. P-75193. OPIC.

3231—FRANCE—Firm seeks licensing arrangement with an American manufacturer for production of **remote control outside rear-view mirrors.** Company produces and markets rear-view mirrors. Employs 500. B. Avril, CIPA, Manufacture d'Accessoires Pour Automobiles, 20, rue du Telegraphe 75980, Paris Cedex 20. P-75203.

3300, 3500, 3800—UNITED KINGDOM—Manufacturer of fabricated process plant and pipeline fittings is seeking licenses for manufacture of complimentary product lines. Company presently produces and distributes building products, heat transfer equipment and pressure safety systems. Products of interest include **waste compactors, shredders, steelworks plant, package process plant and effluent treatment equipment.** Employs 1,100. Harold T. Jenkins, Managing Director, Robert Jenkins (Holdings), Ltd., Wortley Road, Rotherham S61 1LT, England. P-75197.

3369—ITALY—Medium sized manufacturer of light alloy castings wishes to expand its production to include **special castings for aeronautical industry** made with processes different from traditional ones, such as aluminum and magensium alloys using lost wax system or other processes used to obtain castings having very smooth surfaces and excellent mechanical characteristics. Cooperation sought from U.S. firms should be in form of licensing agreements and technical know-how supplied by foundries or metallurgical institutes which are already applying aforementioned processes. Interested firm, established 1946, has present work force of 180 and yearly production of between 1,100 and 1,500 tons. Marco Pastori, General Manager, FLAM, Fusioni Leghe Alluminio Magnesio S.p.A. Corso Magneta 27, 21013 Gallarate (Varese). Telephone: 0331-793484. WTDR. P-75204.

3494—UNITED KINGDOM—Firm interested in joint venture with view to manufacturing eventually under license **pipeline valves, metal fittings, unions and flanges for piping systems,** or **other types of equipment**

associated with oil pipelines. Company manufactures pipeline and wellhead flanges, and suction and discharge oil hose nipples. Employs 54, including 4 salesmen. R. Martland, Director, Welding Units Ltd., Mill Lane, Rainford WA11 8LR, Merseyside, England. P-75199.

3497—INDIA — A leading producer of copper and copper-based alloy tubes seeks technical know-how to produce **copper foils by electro deposition process.** Thickness of foils to be produced are likely to be between 0.0005" and 0.004", to be used in manufatcure of printed circuits. Kamani Metals & Alloys Ltd., La Bahadur Shastri Nagar, Kurla, Bombay 400070. P-75198. OPIC.

3500—GERMANY—Major industrial firm seeks joint venture to manufacture, market and develop **products in machinery and equipment industry.** Company wants to expand its activities in European market, including Eastern Europe. Firm maintains modern, well equipped production facilities, laboratories and testing and research operations. It has competent staff of engineers, technicians, and sales and service personnel. Also has a market research capability with expertise in capital goods. Dr. Helmut Wolf, Krauss-Maffei Aktiengesellschaft, 80000 Munchen 50, Krauss-Maffei-Strabe 2, Postfach 500340. P-75201.

3531—BRAZIL—Fairly large crane manufacturer seeks license to produce **derricks.** Firm makes light overhead traveling; construction and gantry cranes for power facilities. Wants to expand production. Employs over 650, has licensing agreements with U.S., other foreign companies. Roberto Fuganholi, Technical Department, TORQUE S.A., Caixa Postal 6478, 01000 Sao Paulo, S.P., Brazil. WTDR. P-75190. OPIC.

3585—ARGENTINA—Large company seeks license, joint venture, agency agreement with U.S. companies engaged in **development and production of commercial devices using solar and wind energy.** Buenos Aires firm presently makes electric household appliances, air conditioning and communications equipment. It employs 1,600, has sales force of 40. Eduardo Casado, Import Manager, Boris Garfunkel E. Hijos, S.A., Brasil 731, Buenos Aires. WTDR. P-75188.

3585—MOROCCO—Seeks joint venture to manufacture/assemble and sell **solar heating system** for private homes. Presently, firm distributes heating and air conditioning equipment, television sets, refrigerators and radios. Company employs 80, represents several major U.S. companies; is well managed and resourceful. M. Tazi, President-Director General, UMAREQ (Group La Mure), 43 Bd. Ibn Tachfine, Casablanca. P-75200. OPIC.

3662—JAPAN—Seeks a license to manufacture **alarms for detecting liquefied petroleum gas (LPG) leaks in households.** About 18 million homes are now utilizing LPG for cooking and heating and the number of household explosions is increasing. Reportedly, Japanese Government is considering mandatory installation of detection alarms by LPG users. Firm is a leading manufacturer of electrical insulating materials, electronic parts, industrial tapes and other products. It employs 2,000; reports annual sales of $150 million; has ample plant space as well as sufficient financial and personnel resources for expansion. Y. Ogawa, Manager, Product Planning Department, Nitto Electrical Industrial Co., Ltd., 1-7 Uchi-Kanda 1-chome, Chiyoda-ku, Tokyo 101. WTDR. P-75206.

3670—UNITED KINGDOM—Seeks license to manufacture **electron tubes or radiation detectors.** Firm is a major producer and exporter of electron tubes and components, electronic instrumentation, radiation detectors and ultra high vacuum systems. It markets worldwide, reports annual sales of about $3 million. Has excellent production facilities and marketing networks. J. L. Harris, Managing Director, 20th Century Electronics Ltd., King Henry's Drive, New Addington, Croydon CR9 0BG, Surrey, England. Telephone, 66-42121; telex, 896474; cable, CENTRONIX LONDON. P-75192.

3679—GERMANY — Owner of a leading Berlin **agent/distributor of both active and passive electronic components seeks to sell part or all of his firm.** Owner plans to go into semi-retirement, but wants to retain position within company as special consultant. Organization represents 15 companies, several of which are American, employs 18 and has 3 outsides salesmen. Customers include industry, institutes, universities and allied forces in Berlin. Offices and other facilities are in new building in center of city. Present staff is young and capable. Company has subsidiary in Kassel and contacts in East European countries. Sales have increased over 70 percent in last 3 years. U.S. Mission Berlin, Economic/Commercial Section, 1 Berlin 33, Clayallee 170. WTDR. P-75185.

3679—UNITED KINGDOM—Seeks license to manufacture **electronic instruments, particularly low frequency generation and measurement equipment.** Presently, company produces modular pulse generators, modular lock-in amplifiers and wideband power amplifiers. Firm employs 120 and reports annual sales of about $1 million. I. H. Quayle, Director, Aim Cambridge Ltd., 9 Station Road, St. Ives, Hungtingdon, Cambridge, England. P-75186.

3679—UNITED KINGDOM—Seeks licenses to manufacture **semi-precision and precision potentiometers, wirewound conductive plastic but not carbon type; electronic components other than micro electronics; and electromechanical devices and mechanisms.** Firm is division of large electronic company. Ronald Carrie, Managing Director, A. B. Controls, Abercynon, Mid-Glamorgan CF45 4SF, England. Telephone: 0443-740331. P-75187.

3679—UNITED KINGDOM—British firm is interested in better utilization of manufacturing concern in Madeira which it represents. Product interests include **electro-mechanical, electrical, electronic and small mechanical equipment.** Would consider joint venture, sub-contracting and licensing. C. Ch. Coats, Director, Thricis Manufacturing Services Ltd., 46 The Ridgeway, Watford WD1 3TN. Herts, England. Telephone, Watford 42643; cable, THRICIS WATFORD. P-75189.

5000—UNITED KINGDOM—U.S. equity investment or loan of about $3.6 million is sought by firm establishing 4 facilities for use by highway travelers. Facilities will include **restaurants, gas stations, catering units and children's nurseries** to be operated under 50-year U.K. Government concession. One facility is already in operation; remaining are to be in operation by summer 1976. Total estimated capital investment for project is about $8.5 million. Established in 1974, firm employs 75 persons; is subsidiary of 53-year-old company engaged in hospitality/travel business in U.K. John R. Savage, Assistant Commercial Attache, U.S. Embassy, 24 Grosvenor Square, London W1A 1AE. P-75202.

7996—EUROPE — Plans have been completed for **five multi-use recreational centers** to be operated in United Kingdom, France and Netherlands. Centers will include large store of 130,000 square feet selling wide range of food and non-food items plus 30 service shops. Also to be included in centers are bars, discotheques, restaurants, cinemas, indoor arenas and other sporting facilities. Estimated cost of each center is between $12.5 million and $25 million. Projects are being undertaken by British, French and Dutch firms. U.S. firms which would consider participation in existing operations and in extending activities to centers in Spain, Belguim and Germany should write Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75195.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a licensing agreement or in partnership, write the Investment Services Staff, Bureau of International Commerce, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-2248), referring to the appropriate file number.

GERMANY—Old-line manufacturer of excavators and mobile cranes is interested in licensing U.S. firm to produce its fully **hydraulic mobile excavator on wheels.** It has twin-circuit hydraulics with accumulative power control, and has automatic high-speed shifting through magnetic valve. **File 2704**

GERMANY—A leading producer of industrial and food chemicals offers its specialties and know-how to U.S. companies for manufacturing under license in U.S. These specialties are **manufacturing processes for: (1) aluminum sulfate,** containing 17 to 18 percent Al_2O_3, less than 0.1 percent insoluble residue from aluminum hydroxide, also from clay, especially fling clay, commercial quality; (2) **special alumina;** (3) **red mud recycling,** especially in connection with brick production, and for red mud dry disposal systems;

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230, or from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

and (4) **utilization recycling of waste phosphoric acid di-hydrate gypsum** for production of alpha-calcium sulfate hemi-dydrate, and wall board, wall blocks, and other building plaster. **File 2705**

YUGOSLAVIA — Large manufacturer is offering licenses for production of its device which can be applied to plows of conventional construction or with main carrier beam. Device is used for plowing in of plant residues, particularly corn stalks, standing, lodged, or cut up. Use of device reduces number of land cultivating operations. **File 2706**

YUGOSLAVIA—Enterprise wishes to grant license for production in U.S. of new **seed treatment preparation.** Designed for treatment of maize, barley, beetroot, and sunflower seeds, this preparation is nontoxic and easily applied. **File 2707**

YUGOSLAVIA — License to manufacture **static excitation system for synchronous generators** is being offered by Yugoslav firm. System consists of transfer, bank of capacitors, and rectifier with protective equipment. It is simply designed, easy to manufacture, and suitable for emergency use in small, independent power stations, marine power stations, domestic power plants, and mobile generators. **File 2708**

YUGOSLAVIA — Manufacturer wishes to license production in U.S. of **flameproof steel casing** for electric switching devices and dry type transformers. Suitable for most inflammable gases in industrial installations and mines, casing is made of lightweight, welded sheet steel. **File 2709**

GERMANY—Small- to medium-size manufacturer is seeking joint venture partner to manufacture its safety valves in U.S. German company will provide technical know-how, capital and personal assistance. **File 2710**

GERMANY—Medium-size engineering company, which manufactures **machines** used primarily in the plastics, paper, photographic and packing industries, is looking for business partner in U.S. According to company, 90 percent of the calenders working in Europe are equipped with its fully automatic winding machines. Spools and reeling machines constructed by company are especially developed for spooling plastic materials. **File 2711**

GERMANY—Inventor is offering **patented toothbrush** for manufacture in U.S. U.S. patent dated Sept. 19, 1972, is registered under No. 3,691,587. Inventor has been awarded five gold medals for this invention which facilitates up-and-down brushing of teeth. **File 2542-R**

SWITZERLAND—Small company offers for manufacture under license in U.S. its eccentricity **measuring instruments** used by wire and cable industry. **File 2581-R**

Foreign Trade Inquiries

These trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Division, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1972 Census of Manufactures.

U.S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

The mark (•) indicates that this trade opportunity is a request for bids by a foreign government agency.

Direct Sales

Oil, gas field services

• **13820—ECUADOR**—Corporacion Estatal Petrolera Ecuatoriana (CEPE), Av. Orellana y Juan Leon Mera, Quito, is seeking bids for seismatic studies to be conducted in Oriente, a tropical region east of the Andes. Bid deadline May 2. Bid documents may be obtained at above address at no cost.

Building construction

• **15100 — COLOMBIA** — The Ministry of Health through Fondo Nacional Hospitalario (National Hospital Fund) is interested in receiving proposals for construction of a new hospital at Quibdo Departamento (State) of Choco. Tender indentification is Licitacion Publica No. 01/75. Specifications available from the Ministerio de Salud Publica, Fondo Nacional Hospitalario, Calle 16 No. 7-39, Ofc. 609, Bogota, for 3,500 pesos (about US$120), not refundable. Approximate budget for this project 32 million pesos or about US$1.1 million. Total construction area 8,930 sq. meters. Construction period 36 months. All bidders should also include a guarantee bond equivalent to 150,000 pesos (about US$5,000) valid for 120 days as of bid's closing date of May 6. Will be financed with Ministry of Health funds.

• **15100, 16200—URUGUAY**—Tender for turnkey addition of 150,000 metric-ton capacity to existing cement plant of 120,000 metric ton-annual capacity, including installation of furnace to produce 500 tons of clinker per day. Tender number is 2 0157. Inter-American Development Bank is financing. Bid-letting authority is: Administracion Nacional de Combustibles Alcohol y Portland, Paysandu y Agraciada 1 Piso, Montevideo. Bid deadline June 6. Bids must include c.i.f. Montevideo prices and interested parties must enter bids through local representative. Prior to bid submission, plant site in Paysandu (about 270 miles from Montevideo) must be visited. Copy of specifications (in Spanish) may be obtained from Construction & Bldg. Materials Program, Room 2118, U.S. Dept. of Commerce, Washington, D.C. 20230 (202-967-3602), and the Commerce District Office, Federal Bldg., 450 Golden Gate Ave., P.O. Box 36013, San Francisco, Calif. 94102 (415-556-5860).

Highway & street construction

• **16100, 16200 — GREECE** — Tender for construction of outlet drainage and road networks in Tyrnavos area, East Thessaly (Gianannoulis-Abelonos sector). Copies of tender documents available free of charge from: Ministry of Agriculture, Land Reclamation Service, 22 Menandrou St., Athens. Project financed by World Bank. Tender deadline April 17.

Heavy construction

• **16200—ECUADOR** — Tender for design and construction of following electric power lines in Loja and Zamora-Chinchipe provinces: a) one 69 Kv. 105-mile total length, b) one 22 Kv. 14-mile total length, and c) one 13.8 Kv. 60-mile total length. Bid number 02-1/75. Specifications available for non-refundable fee of $40 from: Senor Ingeniero Wilson Vivanco, Empresa Electrica Regional del Sur S.A., Calles Rocafuerte y Olmeda, Loja, Ecuador. Correspondence in Spanish essential. Bid deadline April 25. WTDR 74-078.

Textile goods

22993XX—ITALY—Domestic scoured wool & scoured Texas mohair. Est. value: $800,000. Domestic Wool tops, est. $500,000. Texas mohair tops, est. $500,000. Wants to purchase only from factories, without intermediate. Quote f.o.b. or c.i.f. Large distr. of scoured & greasy wools, noils wool waste, scoured Texas mohair, & mohair & wool tops. Est. 1964. Headquarters at Fl 9493 Mauren. Im Ziel 430, W. Germany. Field staff is 10. Annual business turnover reported to be several million dollars. Enjoys high credit rating. Reply to—Herbert F. Barth, Dir., Sumit S.A. S.P.A., Lungarno Colombo 22, 50136 Firenze. Cable Sumit Firenze; telex 57234; tel. (055) 675441.

Logging camps, logging contractors

• **24110—SRI LANKA**—Ceylon Plywoods Corp., 420 Bauddhaloka Mawatha, Colombo 7, requests bids on 300,000 cubic feet of logs (species not identified), preferably in length of 17 feet (shorter lengths will be considered). Logs should be of veneer quality suitable for plywood manufacture of commercial grade. Bid deadline April 24. Tender documents available from Construction and Forest Products Division, Room 2112, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-2606.

Furniture, fixtures

• **25990—IRAQ**—Directorate of Contracts and Purchases, Ministry of Defense, Baghdad has issued Tender No. ORD/50/75 for 2000 surgical beds with springs completely mechanical, movable, white, with two adjusters for lifting back. Tenders must provide

sample, and all items must be stamped with mark of Iraqi army. Bid deadline April 24.

Pulp mills, products

• **26100—IRAN** — Iranian Tobacco Co. requires 220,000 kilos of kraft paper in sheets of 40 x 42 cm. having substance of 60 grams/M2±3. Copy of tender containing specifications available from Construction and Forest Products Division, Room 2113, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-3530. Bid deadline May 5.

• **26100—IRAN**—Iranian Tobacco Company requires 1,000 tons of mechanical paper in bobbins having substance of 90 grams/ H2+2 grams. Of this total 750 tons to be provided in widths of 560 MM. Remaining 250 tons to be provided in widths of 490 MM. Bid deadline May 20. Copy of tender containing complete specifications and conditions available from Construction and Forest Products Division, Room 2113, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-3530.

• **26110—IRAN** — Iranian Paper Company requires 958 tons of kraft paper to be provided in bobbins and having substance of 200 grams/M2±7. Of this total 10 tons are to be provided in widths of 665 mm; 188 tons in widths of 740 mm; 430 tons in widths of 755 mm and 330 tons in widths of 680 mm. Also requires 465 tons of semi-kraft paper to be provided in bobbins and having substance of 127 grams/M2±7. Of this total 85 tons are to be provided in widths of 740 mm; 190 tons in widths of 755 mm and 190 tons in widths of 680 mm. Bid deadline May 14. Copy of tender containing specifications available from Construction and Forest Products Division, Room 2113, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-3530.

Industrial chemicals

• **28100—SRI LANKA**—1,200 metric tons of aluminum sulfate in flake or kibbled form, suitable for paper and water treatment. Price should be quoted c. & f. Colombo, with f.o.b. value and freight charge shown separately. Offer may be submitted under short-term and/or long-term credit. Payment against irrevocable letter of credit. Insurance arranged through Insurance Corp. of Ceylon. Samples in ½ kilograms of material required before closing date. No tender number. Bid deadline April 17, to Chairman, Eastern Paper Mills Corp., P.O. Box 1367, Colombo 2. Copy of tender documents available from Chemicals and Rubber Program, Materials Division, BDC/OBRA, Department of Commerce, Washington, D.C. 20230.

Agricultural chemicals

• **28790—SRI LANKA**—Supply of 600 000 pounds of malathion 50 percent wettable powder packed in 100-pound-net fiber drums with metal tops and chimes, and polyethylene or similar liners at least 0.1 mm in thickness. Bid deadline April 29. Office of the Director of Health Services (Supplies), 355 Deans Road, Colombo 10. Tender documents available from Embassy of Sri Lanka, 2148 Wyoming Ave., NW., Washington, D.C. 20008 (202-483-4025). Review copy available at Department of Commerce Field Office, Federal Bldg., Box 36013, 450 Golden Gate Ave., San Francisco, Calif. 94102. (415-556-5864).

Chemical products

• **28910—IRAN** — Adhesives for cigarette filters; 160,000 kilos; neutral pH; shelf life at least two years; to be used on machines with 900 to 2,500 cigarettes per minute capacity; packed in 200 kilos plastic bags in metal containers. Bid deadline May 10. Iranian Tobacco Co., 205 Iranshahr Ave., Tehran.

Plastic products

• **30700 — IRELAND** — With reference to construction of community schools at Ballingcollig, Co. Cork and Ballynanty, Limerick City, tenders are invited for supply and delivery to the above sites of self-finished wall and roof units constructed of glass-reinforced polyester. Each school comprises 117 structural external wall units with gross elevational area of 913 sq. meters, 117 internal wall cladding units with gross elevation area of 566 sq. meters, and 234 structural roof units with gross plan area of 2,662 sq. meters. Applicants may tender for one or both schools. Documents and conditions of tender available for inspection or purchase on deposit of 25 pounds sterling from Building Unit, Department of Education, Marlborough St., Dublin 1. Deposit will be refunded on receipt of bona fide tender not subsequently withdrawn. Tender deadline May 18. Financed by loan from World Bank.

30791—AUSTRIA — Plastic marking foil (dry). Wholesaler for packaging machinery equip. Estab. 1963. Sales territory—Austria, W. & E. Europe. Quote f.o.b.; terms of payment—c.o.d. Delivery soon as possible. Reply to—Karl Ernst Drdak, Heropac Ges. M.B.H., Laxenburgerstrasse 35, A-1100 Wien. Tel. 642285.

Steel mill products

• **33100—SRI LANKA**—Various sizes and quantities of high tensile cold rolled steel strapping. Tender No. COM/TEN/75-4; bid deadline April 17, Sri Lanka State Trading Corp., 119 Wekande Rd., Colombo 2. Tender documents available from Iron and Steel Program, BDC, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-2438.

• **33100—SRI LANKA**—Various sizes and quantities of bailing hoop, electrolytic tin plate, bright steel shafting bars, wrought iron steam pipes, jumper steel, galvanized steel tubes, steel sheets, and steel plates. Tender No. COM/TEN/GEN. Sri Lanka State Trading Corp., 119 Wekande Rd., Colombo 2. Contact E. V. Melder, First Secretary, Embassy of Sri Lanka, 2148 Wyoming Ave., NW., Washington, D.C. 20008.

Fabricated structural metal products

• **34400—INDIA**—Tender for supply of cast steel stern parts and rudder horn according to specifications. Tender identification number COP/Q/PT.385/23138/VC.171010S/ FDS/66. One copy of specifications available for review in Room 2118, U.S. Department of Commerce, 14th & Constitution Ave., NW., Washington, D.C. (202-967-3602). Purchasing authority is Mr. S. Satyanarayana, Controller of Purchase, Hindustan Shipyard Ltd., Visakhapatnam 530005, India. Bid deadline May 19.

• **34400—WEST INDIES**—Tenders invited from qualified manufacturers for supply of one industrial building structure. Tender documents and specifications available from manager, address below. Total cost of project about US$500,000. Only manufacturers/suppliers whose principal place of business is in U.S. or Caribbean Development Bank countries eligible. Tenders should be forwarded in sealed envelopes marked "Tenders for Industrial Estate Building" to Manager, Dominica Agricultural and Industrial Development Bank, 17 Great George St., P.O. Box 215, Roseau, Dominica, West Indies, by April 18.

Metal stampings

• **34600—INDIA**—700 sets of fully finished and assembled steel carriage wheels to drawing No. 411-10103A, each set consisting of axle, solid forged or rolled wheels and other components. Tender No. BEML/MC 445-75; bid deadline April 26. Payment will be made in hard currency from IDA credit. Bharat Earth Movers, Ltd., Bangalore, 560017. Tender documents available from Iron and Steel program, BDC, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-2438.

Construction, mining, materials handling machinery, equipment

• **35310—BURUNDI**—Tender for purchase of miscellaneous equipment required to construct a highway. Items such as loaders, graders, tractors, etc., included in list, which may be obtained from Patrice Mikanagu, Charge d'Affaires, Permanent Mission of Burundi to the U.N., Room 2855, New York, N.Y. 10017.

• **35360, 34230 — BURMA** — Managing Director, Electric Power Corp., 197-199 Lower Kemmendine Rd., Rangoon, requests bids on supply of 39 items of tools and implements for transmission line erection, including three sets of hydraulic compressors complete with dies, nine sets of transmission line tensioner, six sets of portable hand winch, four sets of drumjacks, portable telephone, portable communications equipment, assorted hand tools, ten sets of chain hoists, three concrete mixers, portable electric hand drills, and two electric bench drills. Will be financed with ADB credit. U.S. Embassy will forward bid documents and specifications to interested U.S. firms on request (citing 546/ 01/T-009); enclose check for $16.25 per set, payable to American Embassy, Rangoon. Bid deadline May 2.

General industrial machinery

• **35610—INDIA**—Supply of 12 boiler feed pumps. Bid deadline April 17. Value est. $800,000. Pumps to be installed in thermal power station. Address inquiries, referring to Tender Notice No. P-16/75, to: R. N. Mitra, Deputy Chief Engineer (S&P), West Bengal State Electricity Board, 13 Camac St., (4th Floor), Calcutta 700017.

• **35610—INDIA** — Supply of 36 booster boiler feed pumps for suction pressure. Bid deadline April 18. Tender documents available for 50 rupees from: Accounts Officer, Bharat Heavy Electricals Ltd., Unit: HPEP, Ramachandrapuram, Hyderabad 500032. Ref. Tender No. H/D 05/75/120202. Prices should be valid 90 days from bid deadline. Payment will be made in hard currency.

3569998—JAPAN—Compactors for packing used cardboard boxes. Manufacturer of material handling equip. Sales 1974 $33 million. Ref.: Higashi Osaka Branch of Fuji Bank. Seeking used carton box compactors for distribution among supermarkets. Cannot estimate volume of business. Interested in licensed production of machine in Japan if demand warrants. Reply to—Mr. Y. Hashimoto, Mgr., Planning Dept., Nippon Conveyor Co., Ltd., 1-1 Midorigaoka 2-Chome, Daito City, Osaka 574. Tel. 0720-72-2151; telex: 5349-123. Dir. sale (for resale) & dist.

Electric transmission, distribution equipment

• **36110—INDIA**—Bhabha Atomic Research Centre, Purchase Div., III Floor, Mohatta Bldg., Palton Rd., Bombay 400 001 has issued Tender No. PDN/BARC/MIA/6300 for microwave intensity meter, sensitive from 200 to 10,000 mc/s. Bid deadline April 17.

Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-2939.

• **36110—INDIA**—Bhabha Atomic Research Centre, Purchase Div., III Floor, Mohatta Bldg., Palton Rd., Bombay 400 001 has issued Tender No. PDN/BARC/P/MIA/3921 for table model testing instrument with load capacity 500 KC, having electronic load measuring and recording system. Bid deadline April 18. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-2939.

• **36110 — INDIA** — Tata Power Co., Ltd., Tata Vidyut Karyalaya, Murzban Rd., Bombay 400 001, has issued Tender No. Cable: Tataelec; Tel. 268331 for electronic testing instruments, such as oscilloscopes, pulse generator, frequency counter, microvoltmeter, digital multimeter, and delay measuring set, for electric power transmission and distribution project. Bid deadline June 2. Copies of tender announcement and specifications available on short-term loan basis to firms located in U.S. from Science and Electronics Div., BDC-466, Room 1001, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-2939.

Electrical industrial apparatus

• **36210 — VIETNAM** — Industrial Development Bank of Vietnam (IDB), 40 Nguyen Hue Blvd., P.O. Box 336, Saigon 1, is seeking bids for supply of two sets of synchronous high voltage motors and control equipment. Motors must be 1500 H.P. each, 1.0 power factor, 150 RPM, 3-phase, 50-cycle, and 4,160 volts.

Communications equipment

• **36610—IRELAND**—Department of Posts and Telegraphs, Engineering Branch, Marlborough St., Dublin 1, has issued Tender No. C/610/4/22 for seven private branch telephone exchanges. Bid deadline April 22. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-2939.

• **36610—INDIA**—Telegraph and Telephone Director General, Zero Point, Islamabad has issued Tender No. PUR. 5-22/75/804 for telegraph switching equipment and accessories. Bid deadline June 5. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, Washington, D.C. 20230, 202-967-2939.

• **36610—ECUADOR**—The Instituto Ecuatoriano de Seguridad Social (IESS), Av. 10 de Agosto y Bogota, Quito, has issued Tender No. 001-75-IESS for 11 telephone switchboards with capacity of 30 outside lines and 200 internal extensions. Bid deadline May 5. Additional information on short-term loan basis to firms located in U.S. available from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-2939.

• **36620—COLOMBIA** — Instituto Nacional de Radio y Television, Inravision, Avenida Eldorado OF. 308, Bogota, has issued Tender No. 10 for transmission, receiving and demodulating equipment. Bid deadline April 21. Specifications available from above address for $33.

• **36620—TURKEY**—TRT Kurumu Genel Mudurlugu, Genel Evrak Mudurlugu, Ankara, is requesting bids for TV relay link equipment for transmission of 625-line black and white TV signals and for color TV transmission by PAL standards. Bid deadline June 10. Copy of specifications in English available from Modern Translation Bureau, Karanfil Sokak 49/2, Yenisehir, Ankara, for $41.

• **36620—TURKEY**—TRT Kurumu Genel Mudurlugu, Genel Evrak Mudurlugu, Ankara, is seeking microphones of various types, stands, booms, headphones, and headsets. Bid deadline May 7. Copy of specifications in English available from Modern Translation Bureau, Karanfil Sokak 49/2, Yenisehir, Ankara, for $21.

• **36620—CAMEROON**—Secretariat de la Commission Special des Marches, 5 Boulevard LeClerc, B.P. 4020, Douala, is seeking communications equipment for specific ports. Bid deadline April 30. Bid should offer nine transceivers, single and double side bands; 15 UHF receivers; and three walkie-talkies. Copy of specifications available from above address for $237.

• **36620 — SYRIA** — Municipality Police, Damascus, has issued Tender No. 1936 for transceivers. Bid deadline May 7. Bid should state unit and total prices of transceiver and 5-year spares, service address in Damascus, and country of origin and export. Additional information available at above address.

• **36620—CHILE** — Empresa Nacional de Electricidad (ENDESA), Santa Rosa Uyn 8 Piso, Santiago, has issued Tender No. 267/OC-CH No. 45 for UHF transceivers and transmitters, and 35-40 meters of nonquadded cable plus parts and accessories. Bid deadline May 7. Copies of tender announcement and specifications available from ENDESA S. an Santa Rose 76, Depto. Electrico y Telecomunicaciones, for $25 and $20, respectively.

• **36620 — IRELAND** — Building Unit, Department of Education, Marlborough St., Dublin 1, is seeking bids for educational equipment for science, theatrical, and electronics departments of the National Institute for Higher Learning. Bid deadline April 25. Specifications available from above address for approximately $40 which will be refunded on receipt of bona fide bid.

Electric components, accessories

• **36740—BOLIVIA** — Arturo Molina U., M.D., Casilla 452, La Paz, representing a group of physicians, is interested in establishing an electronic automated preventive medical clinic, to be modular with all information being programmed into an automated, multiphased and computer based system. Interested firms are invited to contact Dr. Molina at above address.

Engineering, laboratory, scientific, research instruments

• **38110 — ECUADOR** — Civil Aviation Directorate is in process of preparing specifications for a government tender for provision of one ILS category I localizer, intended to improve approach procedures to Quito. To be installed along center line of runway at north end, and will be used in conjunction with recently-installed VOR and DME facilities and already-ordered high intensity runway and approach light systems. Use of glide slope equipment not indicated. Information on equipment specifications, f.o.b. cost, shipping and transportation charges, and installation costing guidelines requested for localizer only. Contact Ing. Hugo Herrera. Direccion de Aviacion Civil, P.O. Box 2077, Quito.

• **38110—IRAQ**—Foreign Purchasing Committee, Directorate General of Medical Supplies, Baghdad has issued Tender No. 1/75 for urological instruments and ancillary equipment, including 100,000 drainage bags, 50,000 Foley's catheters, and 400 lamps for fiber optic light source. Bid deadline May 5. Specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-2939.

Instruments for measurement, analysis and control

• **38210—INDIA**—Bhabha Atomic Research Centre, Purchase Div., III Floor, Mohatta Bldg., Palton Rd., Bombay 400 001 has issued Tender No. PDN/RRC/MIA/229 for automatic infrared spectrometer with spares and accessories. Bid deadline April 17. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Division, BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-2939.

38292XX—KOREA — Physical properties testing & inspection equip. for mfg. zippers including but not limited to following items under ASTM—D2050 thru D2062—scales, graduated in 1/64 in., 10 ea.; Ssasfa identification gauges, 5 ea.; vernier height gauges, 5 ea.; compression testing machines, 5 ea.; saf force indicators—5 ea. of (1) opening & closing, (2) specking at stop & (3) ability of slider to resist movement if pin not fully inserted in strainer; pull twist test fixture assembly, 5 ea.; edurance testing machines, chain, 5 ea.; tensile testing machine, crt type, 5 ea. Claims to be leading mfr. in its 3 production lines—double-edge razor blades, zippers & stationery supplies. Capitalized at W90 million; has 1,000 employees. Reply to H. C. Nho, Mgr., Quality Control, Han Il Industrial Co., Ltd., COP 209, Seoul, 100. Tel. 8-2051/4.

Surgical, medical, dental instruments

• **38420—IRAQ**—Foreign Purchasing Committee, Directorate General of Medical Supplies, Baghdad, has issued Tender No. 2/75 for electro-surgical equipment. Bid deadline April 21. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-2939.

3999998—DOMINICAN REP. — Complete equip. for professional fingerprinting, including all materials, ink supply, etc. Currently equipping expanded drug control section of Dominican Natl. Police. Interested U.S. firms should send catalogs & price quotations. Corres. in Spanish preferred, although English acceptable. Col. Leonidas Herasme Dias, Dpto. de Control de Drogas, Policia Nacional, Santo Domingo. Tel: 682-2151.

3999999—SPAIN — Gummed tape & adhesive tape dispensers. Direct sale & agency. Quotations f.o.b. Call or cable—Jose A. Espallardo, P.O. Box 7, Molina de Segura, Mrucia, Spain. Cable Jespallardo; tel. (968) 610-141.

Scrap materials

50930XX—KOREA—Copper scrap (NASM specification birch grade and birch-cliff grade). Monthly requirements: 100 m/t. Est. value: $1,100 to $1,150 per ton. Subject firm, manufacturer of copper wire bar & rod, copper alloy ingots and brass ingots, has annual production capacity of 900 m/t copper and 700 m/t brass. Interested U.S. suppliers should write to Mr. Lee supplying specifications and price lists. Reply to—Mr. Lee

Kyung Mo, Pres., Ja Won Metal Ind. Co., Ltd., 11-4 Supyo-Dong, Chung-Ku, Seoul 100. Tel: 26-0522.

Mfg. & fabrication plants

• **9913109—SWITZERLAND** — Production plant for mineral wool pipe insulating shells for Romania. Tender described as follows—installation used to produce shells (tubes) of mineral wool necessary for thermal insulation pipes should have following characteristics—production cap. 1000 M/T/year; working time 300 days x 24 hrs. Data in connection with products—dia. pipe for which shells produced 40-400 mm; length shells 500± 5 mm; thickness shell wall 20-120 mm; apparent density kg/cm 100-130; thermal conductibility coefficient at 100 degrees c kcas/m h c max. 0.045; content binder 5-7%; max. use temperature 600 degree C. Tender should comprise description of operating process used to produce shells together with—list of equip.; specific consumptions/hr. of water, steam, air, electric energy, liquid (fuel oil), given per type of products to 1000 ML finished product; personnel requirements; main drawings of installation which should be views in 3 planes with overall dimensions; proposals concerning sizes of hall in which placed; special measures for labor production; list of spare parts necessary for 1½ yrs. work. No bid deadline indicated. Ref. no. 49.2.34.40.100. Submit offers to—Elias Adjadj, Pres., Societe d'Expansion Commerciale S.A. (SEC), 6 Place des Eaux-Vives, 1207 Geneva.

USSR Plans To Expand Grain Storage Ability

The Soviet Union has announced plans to expand grain storage capacity by 40 million M/T during its 1976-1980 Five-Year Plan, an increase of over 30 percent. These plans, designed to reduce crop spoilage, will involve imports of technology and equipment for silos, elevators and grain handling.

Some 3.5 billion rubles have been budgeted for this project (one ruble equals $1.43 at current official exchange rate). Of this total, 2.5 billion rubles will cover cost of construction and assembly work.

Elevators will provide 34 million of the additional 40 million tons of capacity with steel silos providing the other 6 million. This project represents a significant export opportunity for U.S. firms offering equipment and technology in the following areas: elevators and silos—technology for production of poured concrete elevators and silos; metal silos and plants to produce them; elevator equipment—grain drying and conservation systems, including equipment for "active ventilation" and conservation at low temperatures; grain cleaning machinery with capacities of 150, 200 or 300 tons, particularly equipment designed to clean seed wheat; grain quality analyzers; grain handling systems—equipment for loading and unloading grain at farms and elevators; railroad cars for grain transport; equipment for moving grain within elevators, especially with a 1,000 ton/hr capacity.

In Moscow the U.S. Commercial Office and the office of the Agricultural Attache are ready to help U.S. firms make sales for this project. Further information can be obtained from Mrs. Pat Horoschak of the Trade Development Assistance Div., Bureau of East-West Trade, U.S. Department of Commerce, Washington, D.C. 20230; tel. 202-967-3615.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Scrap materials

50930XX—KOREA — Subject firm is distributor of industrial chemicals for paper industries, now desires to represent U.S. supplier of waste paper. Firm's business volume past 12 months, won 20 million. Employs five. Reply to—Mr. Shin Hyun-Chung, Pres., Shinchang Industries, Ltd., C.P.O. Box 252, Seoul 100. Cable: Daidongnam; tel. 27-4357.

50930XX—KOREA—Waste paper (old corrugated containers). Requirements: 300 m/t. Est. value: $85 to $95 per ton. Also old newspaper. Requirements: 300 m/t. Est. value: $90 to $95 per ton. Interested U.S. firm should submit offers, including 3 percent commission for Chil Sung. Subject firm is buying agent for Lan Houng Ent. Co., Ltd. of Hong Kong, and Kitfix Hobbys Ltd. of U.K., primarily handling textile products and stuffed toys. Firm is affiliated with Chil Sung Textile Co., Ltd., manufacturer of textile products. Reply to—Mr. T. K. Doo, Pres., Chil Sung Ind. Co., Ltd., C.P.O. Box 345, Seoul 100. Cable: Sevenstar, Seoul; tel: 28-0468.

50930XX—KOREA — Nonferrous metals scrap, such as copper scrap (berry, birch, birch/cliff), lead scrap (rain & rail), zinc scrap (scrub, saves, scuil), brass scrap (honey, lake, label, ebony, ocean), aluminum scrap (taint, tabor, tense), and nickel scrap (dandy & daunt). Subject firm is registered offer agent, primarily handling nonferrous metals, spare parts for fertilizer plants. Firm now represents one U.S. firm (non-ferrous metals) and three Japanese firms (machinery, steel products). Firm's business volume past 12 months on indent basis totaled $2 million, mostly from Japan. Firm wishes to receive firm offer (f.o.b. basis) from U.S. suppliers. Reply to—Mr. D. K. Shin, Pres., Seyang International Corp., C.P.O. Box 4595, Seoul 100. Cable: Djshintra, Seoul; telex: Starship K27287; tel: 22-0822.

Polish Lead, Zinc Industries Offer Trade Opportunities

Poland's plan to expand its lead and zinc industries presents American firms with a major trade opportunity in the East European Market. Centrala Handlu Zagranicznego—CENTROZAP (Foreign Trade Enterprise), 40-036 Katowice, P.O. Box 285, Ligonia 7, has issued Tender GP6/0129/5/BM for the supply of zinc and lead sinter plant and shaft furnace equipment.

The Polish shopping list is a long one. It includes two air blowers with gear lubrication systems and air filters, two coke heater combustion gas fans, two shaking feeders for hot coke, shaking feeders for agglomerate, a shaking screen for agglomerate, a shaking feeder for limestone, a shaking feeder for minusmesh agglomerate, an automatic crane with self-propelled car for loading an ISP shaft furnace, a zinc casting machine with stapling equipment, two pumps for granulation water, a melting zinc loss breaker, a truck to transfer pneumatic servomotors, and 16 eleastic flexible connections for hot blow nozzle installation in shaft furnaces.

Copies of equipment specifications are available from the Department of Commerce, Michael Goodwin, Bureau of East-West Trade, Trade Development Assistance Division, Room 4816, Washington, D.C. 20230, 202-967-3352.

Future Construction Abroad

IRAQ—Farhan Juma, Head of Projects Department, State Organization of Industrial Design and Construction (SOIDC), Ministry of Industries, Kullani Circle, Baghdad, (Telex 2217 TASM SN IK; Cable TAMSMISINAI), has decided to make maximum use of **prefabricated metal buildings** for all future factories for which Ministry responsible (virtually every form of manufacturing). Mr. Juma is head of ten SOIDC operating divisions which design, procure and supervise construction of all such Government of Iraq-controlled industrial projects. Interested U.S. firms able to supply prefab industrial buildings on turn-key basis (including design work) write directly to him, giving bona fides, company brochures and citing success, if possible, in other Arab countries.

INDIA—The National Test House (a Research Wing of Gov't of India Ministry of Supply) has requested assistance in locating interested U.S. suppliers of **specialized electronic equipment.** NTH plans to import precision and professional type electronic equipment worth more than $100,000 in order to implement UNDP-financed project for expansion of testing facilities in India. NTH interested in obtaining offers from U.S. manufacturers for complete testing and evaluation system for monochrome TV transmitting and receiving systems conforming to CCIR System "B" and for complete vibration testing system. Interested U.S. suppliers write Mr. B. P. Ghosh, Deputy Director, National Test House, 11/1 Judge's Court Rd., Calcutta 700027, for details of import requirements.

IRAN—The Agricultural Development Bank of Iran (ADBI) plans to build seven **recombining, sterilizing and packaging plants** in various cities in Iran. Will have a daily capacity of 100 tons, extendible to 250 tons. Two or three will be for fresh milk and have equipment for additional 50 tons per day of pasteurized milk. No tenders will be issued for these plants, but contracts to be let by direct negotiation. As first step, interested U.S. companies should send expressions of interest, brochures, etc. to Commercial Attache, American Embassy, 260 Ave. Takti Jamshid, APO New York 09205, for transmittal to Agricultural Development Bank. OPIC.

IRAN—Construction of a second **bridge** across Karoon River in Khorramshahr has been approved. Estimated cost is $6 million. Project tender not yet issued, but interested companies contact: Mr. M. Ramazani, Mayor, Khorramshahr, Iran. OPIC.

KUWAIT—Kuwait's main industrial area, Shuaiba, plans **expansion of oil pier facility** which serves Kuwait National Petroleum Co. and Kuwait Chemical Fertilizer Co., both of which have ambitious expansion plans. Presently, port has two berths and two more under construction. Shuaiba Area Authority's (SAA) Director requests names of engineering/construction firms capable of planning and constructing expansion of oil pier. SAA, although Government of Kuwait agency, normally can act autonomously and often issues invitations to companies it wishes to bid on projects without going through Plan-

ning Board. SAA has not decided whether to separately choose designer and contractor or combine both in one package. Engineering and engineering/construction firms with experience in port work should furnish full particulars their company to Mr. Khaled Suleiman Al-Hamad, Director, Shauiba Area Authority, P.O. Box 4690 (SAFAT), Kuwait. Companies should also be registered with Kuwait Planning Board, which usually necessary for all engineering firms wishing to receive invitations to submit proposals for Gov't of Kuwait planning/design work. Companies not registered should write Mr. Ahmad Duaij, Director, Kuwait Planning Board, P.O. Box 15, Kuwait, and request registration forms.

YUGOSLAVIA—Huge Agricultural Kombinat PKB (Poljoprivredni Kombinat Beograd) would like to expand commercial relations with U.S. PKB, 13th largest Yugoslav enterprise and second largest Kombinat, has outlined a 4-5 year development program, which promises **major project/product opportunities** to U.S. Plan targets are modernization and expansion of capacity in crop and orchard cultivation, cattle raising, and industrial raising, and industrial processing of agricultural products. Under development plan PKB anticipates imports of or turnkey contracts for: heifers for high-yield reproduction; machinery and equipment for harvesting of fruit and grapes; heavy tractors (over 100 HP); sugar beet lines; machinery to cut tassels on seed corn; equipment lines for production of vegetables (tomatoes, peas); expansion of plants for edible sunflowers and soya oil; reconstruction and expansion of industry for vegetable and fruit processing; reconstruction and expansion of meat industry (2 slaughterhouses); several cold-storage plants for fruit, vegetables, meat, dairy products, and ready-to-serve dishes; new feed factory of large capacity; sugar mill—also to produce molasses, alcohol, brewer's and cattle yeast, and CO_2 gas. American Embassy, Kneza Milosa 50, Belgrade, will convey requests of U.S. firms for additional information. Companies may also send directly to: Petar Zecevic, Director, PKB Beograd, 11213 Pakinska Skela; Tel. 769-143; Telex 11457; cable POLJOKOMBINAT. OPIC.

ALGERIA—Tender has been issued for **turnkey telecommunications project** to include supply, installation, and startup of four automatic telephone centrals and one automatic telegraph central at Annaba, Ramdane, and Djamel. Bid deadline May 20 to Monsieur le Chef du Bureau Administratif SES-VB, 8-eme Etage, SNCFA, 21-23 Blvd. Mohamed V, Algiers (telex 52851). Bids must be in French, give metric specifications, remain valid 180 days past deadline, and set forth cash and financing, training of personnel, and guarantee. Tender and blueprint copies may be obtained for 170 Algerian dinars ($40) from above address or reviewed only, with Ms. Cherie Loustaunau, Rm. 6015, U.S. Department of Commerce, 202-967-4441.

ALGERIA—The Algerian Government has issued tender on prequalification for study and construction of **new 600-hectare administrative city** (economic affairs city) in Algiers. It will be a vertical urban office development project; therefore, firms with experience in highrise development are sought. Interested parties should send details on company structure, curriculum vitae of manager and assistants, and reference list of similar projects soon as possible. Submit offers by registered mail to Comedor, 35 Blvd. des Martyrs, Algiers.

ALGERIA—Bids are being accepted to prequalify for construction of **five residual water treatment stations** for tanneries at various locations in Algeria. Bid deadline is May 21, by registered mail to Direction Technique, Sonipec, 100 Rue de Tripoli, Hussein-Dey, Algiers (cable Tal Alger; telex 52832). Offers should be in French in four copies, include payment terms, and give specifications in metric units. Interested firms may visit Sonipec tanneries. Tender document in French available for review only with Ed Kimmel, Rm. 6015-A, U.S. Department of Commerce, 202-967-4441.

ALGERIA—The Algerian Government has issued tender on prequalification for construction of **two fluid systems** (vapor, air and air) at tanneries in Jijel and El-Amria. Bids due May 21, by registered mail to Direction Technique, Sonipec, 100 Rue de Tripoli, Hussein-Dey, Algiers (cable Tal Alger; telex 52832). Offers should be in French in four copies, include payment terms, and give specifications in metric units. Interested firms may visit Sonipec tanneries. Tender document in French available for review only with Ed Kimmel, Rm. 6015-A, U.S. Department of Commerce, 202-967-4441.

ALGERIA — Bids are being accepted by Algerian Government on **turnkey plant for cleaners and insecticides.** Planned annual output is 300 metric tons of domestic household cleaners and insecticides, 180 metric tons metal (silver) cleaners, 160 metric tons leather cleaners, 264 metric tons wood cleaners, 800 metric tons disinfectants, 2,000,000 insecticide jars, and 700,000 aerosol containers. Offers due April 21, by registered mail to Commission des Marches, SNIC 15, Rue Victor Hugo, Hussein-Dey, Algiers (cable Snicent Alger; telex 52840). Bids should be given both in French (10 copies) and English (one sample copy), and cover technical assistance, training of personnel, a guarantee, parts, professional references, patents, cash, long-term credits, and other means of payment. Technical offer must be separate from commercial offer; both should remain valid 120 days past bid deadline. Specifications must be metric for project, which includes all civil works (offices, buildings, stockage approaches, laboratory for controls and tests, maintenance workshop, roads, security, fire safety system, hangars, telecommunications, water treatment, sewage, and utilities). For further information, Mr. Karimou Djellouli, Chief of Project, SNIC, 29, Rue Didouche Mourad, Algiers (cable Sonamer Alger; telex 52521). Copies of tender documents in French available for review only with Cherie Loustaunau, Rm. 6015, U.S. Department of Commerce, 202-967-4441.

IRAQ — The Iraqi Government has announced a tender for a **complete plant to produce synthetic detergent powder** by the dry method with an output of one ton per hour. Successful bidder will train four Iraqi employees in U.S. for 8 weeks. Interested U.S. firms should contact Leon Khnano, Head of Materials Management, General Company for Vegetable Oils, Baghdad, Cable Zuyout Baghdad, Telex 2221 Zuyout IK, and purchase copy of specifications (cost 1 dinar, or $3.38). Deadline for bids May 17.

The Overseas Private Investment Corp. (OPIC) offers political risk insurance to U.S. construction firms planning to submit bids on projects in certain developing countries, identified by the "OPIC" notation at the end of some items. For further information on OPIC's construction insurance program, write Information Officer, Overseas Private Investment Corp., Washington, D.C. 20527. Tel: 202-632-1854.

ECUADOR—The Guayaquil Port Authority invites interested firms to prequalify for **enlargement of existing docking, warehousing, and other facilities at the Port of Guayaquil.** Application forms and general project outline available for $40 from Autoridad Portuaria de Guayaquil, P.O. Box 5739, Guayaquil, or Ecuadorean Embassy, 2535 15th St., NW., Washington, D.C. 20009 (202-234-7200), or Palmer and Baker Engineers Inc., P.O. Box 867, 1050 Government Bldg., Mobile, Alabama 36601, (205-432-4691). Completed prequalification documents must be submitted by April 30 to Guayaquil Port Authority, address above. OPIC.

HONDURAS—The Ministry of Communications invites interested firms to bid on construction of **25 km. of paved highway and 4 reinforced concrete bridges** of the Comayagua-La Libertad Highway Project. Divided in 2 sections, bids will be accepted for each section separately or for total project, which includes 600,000 cubic meters of class 1 excavation, 39,000 cubic meters sub-base, 55,000 kilograms reinforcing steel, 525 cubic meters class A concrete, 1,000 cubic meters masonry, and 4,000 linear meters sewer pipe. Financed in part by IBRD loan. Plans and bid documents available from Ing. Jose Ramiro Zuniga, Director General de Caminos, Ministerio de Comunicaciones, Obras Publicas Y Transporte, Barrio La Bolsa, Comayaguela D.C. Honduras. Deadline April 11. OPIC.

CANADA—The Krupp Co. has entered into a 50-50 partnership with the Canadian firm Great West Steel Industries Ltd., to **manufacture mining and oil sands equipment** in Edmonton. A spokesman for Fried. Krupp GmbH Krupp Industries-und Stahbau of Rheinhausen, says arrangement has to be approved by foreign investment board in Ottawa. New company hopes to produce bucketwheel excavators, reclaimers, stackers, conveyor belts and other equipment used in oil sands and coal mining. Most imported equipment currently being used in oil sands operations in Alberta has been obtained from U.S. and Germany. Great West Steel Industries, founded in Edmonton in 1965, has expanded considerably and now has offices in Vancouver, Edmonton, Calgary, Saskatoon, Toronto and Los Angeles.

BOLIVIA—"Representantes y Distribuidores S. Howson S.A." has obtained a **hotel** franchise from Holiday Inns. Hotel will have the following basic characteristics: 16 story construction of reinforced concrete; 13,282 sq. meters total floor space; 130 double rooms 3.80 meters x 5.50 meters with restrooms 2.80 m x 1.70 m; 17 rooms 4.80 m x 5.50 m living rooms furnished with two double-size sofa beds; 3-room presidential suite, 2 bedrooms and one living room with same sizes as rooms above; 10-lane bowling alley with snack shop and cocktail bar; informal restaurant with cocktail lounge, 130 total seats; formal dining room with 150 seats and adjacent 90-seat luxury cocktail; top floor swimming pool and sun deck with cocktail bar; central heating; 3 high-speed luxury elevators; 1 service elevator; convention floor with one 300-seat room and 3 conference rooms; ballroom should have two quick walls to make 3 each 100-seat rooms; 1 nursery room, approx. 7.20 m x 5.00 m. All construction, interior finish and installations will be made to meet or exceed Holiday Inn standards. U.S. hotel equipment suppliers should send information including credit terms to: Alfonso Bedoya Herrera, Gerente de Proyectos, Howson S.A.I.C., Casilla 1406, La Paz. Telex BX 5253. OPIC.

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The Office is organized geographically with a Country Marketing Manager responsible for a country or group of countries as listed below. Assistance or information about marketing in these countries may be obtained by dialing these key people directly: 202-967 plus the given extension

Area	Extension
Africa	
Central Africa	3904
East and South Africa	4927
West Africa	4388
Europe	
Canada and Benelux countries	3848
France	4504
Germany and Austria	4414
Italy and Greece	3944
Nordic countries	4601
Spain and Portugal	3957
Switzerland, Yugoslavia and Turkey	2795
United Kingdom	3713
Far East	
Australia and New Zealand	3646
East Asia	5401
Japan	2427
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Latin America	
Brazil	5427
Caribbean countries, Venezuela, and Colombia	2995
Mexico, Central America and Panama	5020
Remainder of South America	2428

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Bureau of East West Trade	
Eastern Europe	2645
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